

International Enterprises, Inc.

108 Allen Street
Talladega, Alabama 35160
Phone (256) 362-8562 Fax (256) 362-0102
www.elbitsystems-us.com

Business Partner Notice

The following quality codes and requirements become an integral part of the purchase order to the extent specified and supplement existing terms and conditions of the purchase order. Absence of requirements on a purchase order does not relieve responsibility of the supplier from complying fully with applicable specifications and/or drawings. Failure to comply with these requirements may adversely affect the supplier quality rating, disqualification, and/or result in the return of the complete shipment at the supplier's cost. Herein "Seller" pertains to supplier and "Buyer" to IEI.

Quality Codes & Requirements

QA Quality Requirements

- A. The Seller shall provide for the review of the IEI purchase order to delineate all contractual requirements. Notification to IEI of changes to Seller processes that may affect the quality of the product is mandatory for approval.
- B. The seller shall provide a Quality System (guidance ISO 9001 & AS9100 latest revisions) that assures the materials supplied under this purchase order meet the requirements of the purchase order and any referenced or attached specifications or drawings. Qualification of personnel is required; specifically for such processes as soldering, brazing or NDT. This system shall also provide for control of all Measuring and Test Equipment, used for material acceptance, and periodic calibration traceable to National Institute of Standards and Technology (NIST) or equivalent international standard. The requirements contained herein are in addition to such other inspection or quality control requirements, which may be incorporated in this purchase order through attachment of specifications, drawings, statements of work, etc.
- C. Seller shall establish and maintain an inspection system that provides for receiving inspection, and manufacturing acceptance inspections and tests needed to assure that materials delivered by Seller are in strict compliance with all contract / purchase order requirements. The Seller's inspection system shall provide assurance of product conformance for both materials produced at his facility and those purchased from subcontractors.
- D. Seller shall provide for the safety and convenience of Buyer and/or Buyer's customer, access and assistance, without additional cost, to any and all areas, where work is being or is scheduled to be performed under this Purchase Order. Buyer and or Buyer's customer may perform in-process inspection, product audits, and system surveillance at Seller's facilities as part of verification of conformance to contract / purchase order.
- E. Seller's purchase orders shall clearly reflect and define all processing and nondestructive testing requirements including special procedures, inspections, tests and acceptance criteria as required by the Buyer's purchase order or attached specifications and drawings.
- F. Seller shall comply with the following requirements with respect to Buyer furnished material:
 1. Material furnished by the Buyer shall be handled and stored in accordance with applicable specifications and requirements with due regard for protecting the material from damage due to handling and exposure.
 2. Seller shall visually inspect such material for accountability and damage from shipment. Buyer shall be responsible for any nonconformance to requirements.
 3. With each delivery containing Buyer furnished material, Seller shall ensure the material used on this order includes material furnished by Buyer and no unauthorized substitutions have been made.
- G. Buyer may utilize sample inspection methods (ANSI Z1.4) for acceptance of shipments. If the sample is unacceptable, buyer reserves the right to return all or part of the lot for credit or replacement. C=0 principle applies at supplier and sub-tier facilities on applicable material (one defect requires rejection of representative lot). A Nonconformance Report (NCR) will be generated and sent to the Seller with a timely corrective action response required back to the buyer.

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- H. All work performed under this P.O. is subject to IEI's inspection and test. IEI's representative may elect either to perform inspection or test on a random basis or up to 100% inspection.
- I. Seller shall provide a Certificate of Conformance (CoC) to attest that all supplies presented conform in all respects to the specification(s), drawing(s) and orders relative thereto and that the supplies have been inspected and tested in accordance with the conditions and requirements of the applicable orders. This certification shall bear the signature of an authorized agent of the Seller. This statement of quality shall be in addition to any specific certifications required to be delivered with the shipment by specifications or other quality documents. All CoC's shall accompany the shipment.
- J. Records of manufacturing, inspection, and tests (OQE) shall be maintained and stored by Seller for a period of three years, unless otherwise specified, after completion or termination of this Purchase Order. The CoC's, final inspection/test results, and all objective evidence, which substantiates Seller's certifications, including certification for Buyer furnished material shall be retained on file at Seller's facility. When additional quality requirements so specify, appropriate data shall be provided with each shipment. This data shall be readily available for subsequent on-site review by Buyer. When requested by Buyer, Seller shall provide at no cost, legible photocopies of inspection/test results or substantiating objective evidence for any certification.
- K. Seller shall ensure work is accomplished in a manner preventing foreign objects or material in deliverable items. Seller shall maintain work areas and control tools, parts and materials in a manner sufficient to preclude the risk of foreign object damage (FOD) incidents. Seller shall document and investigate each FOD incident and ensure elimination of the root cause of each such incident. Prior to closing inaccessible or obscured areas during assembly, Seller shall inspect for foreign objects / materials. By delivering items to Buyer, Seller shall be deemed to have certified to Buyer that such items are free from any foreign materials that could result in Foreign Object Damage.
- L. Specialty Metals Clause - The purpose of this clause is to advise IEI suppliers of metal parts that it is necessary to comply with specialty metals requirements associated with Department of Defense contracts. The DFARS 252.225-7014 Clause, Preference for Specialty Metals, implements a portion of the Berry Amendment and the Dodd Frank Wall Street Reform and Consumer Protection Act Section 1502, federal laws (10 USC 2533a and H.R. 4173). It requires certain specialty metals (such as Steel, Titanium, Stainless Steel, or Zirconium) incorporated in articles delivered under Department of Defense contracts be melted in the United States or a qualifying country (or incorporated in an article from a qualifying country). Qualifying countries are listed in DFARS 225.872-1.
- M. Finished parts shall be adequately protected to prevent damage during handling and shipment. Parts shall be wrapped, bagged, or otherwise protected to prevent damage when packaged within a larger pack. Plated parts must be packaged to prevent tarnish and corrosion. The seller shall be responsible for determining the method of packaging to assure protection during transit. Seller shall assume responsibility for inadequate packing that result in damage physically and/or functionally.
- N. Electrostatic discharge (ESD) sensitive devices shall be handled, packaged and marked in accordance with the requirements of MIL-STD-1686. Tubes and rails used for packaging microelectronic devices shall be made from conductive materials per MIL-HDBK-263. Connectors shall be supplied with protective caps made from conductive material per MIL-HDBK-263.
- O. All electronic and electrical assemblies will be soldered per J-STD-001 (latest revision), unless otherwise approved by Buyer Quality. The seller shall flow this requirement to all sub-tier contractors as necessary.
- P. Counterfeit Parts Prevention:
 - (a) SELLER agrees and shall ensure that Counterfeit Parts is not delivered to International Enterprises Inc.

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- (b) Seller shall establish and maintain a Counterfeit Parts Prevention and Control Plan using Industry Standard AS-5553 as a guideline. The purpose of this document shall be to prevent the delivery of counterfeit parts and control parts identified as counterfeit.
- (c) Sellers eligible for utilization of the Government-Industry Data Exchange Program (“GIDEP”) shall utilize the GIDEP process to alert the industry of encountered counterfeit parts.
- (d) SELLER shall only purchase products to be delivered or incorporated as Work to International Enterprises Inc. directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Parts shall not be acquired from independent distributors or brokers unless approved in advance in writing by International Enterprises Inc.
- (e) SELLER shall immediately notify International Enterprises Inc. with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Parts. When requested by International Enterprises Inc. SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
- (f) In the event that Work delivered under this Contract constitutes or includes Counterfeit Parts, SELLER shall, at its expense, promptly replace such Counterfeit Parts with genuine Parts conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Parts including without limitation International Enterprises Inc.'s costs of removing Counterfeit Parts, of reinserting replacement Parts and of any testing necessitated by the reinstallation of Parts after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies International Enterprises Inc. may have at law, equity or under other provisions of this Contract.
- (g) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Contract addressing the authenticity of Work/Parts. To the extent such provisions conflict with this clause, this clause prevails.
- (h) SELLER shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work/Part to International Enterprises Inc.
- Q. Seller shall evaluate each nonconformance for its potential to exist in previously produced or delivered Items, or Items in transit to Buyer. If a nonconformance exists, Seller shall notify Buyer, in writing, within 24 hours for issues impacting flight safety or for Items in transit to Buyer, and, in writing, within 5 working days for all other issues.
- R. Material Review Authority:
- (a) For Seller-designed Items, Seller has Material Review Authority, except for one or more Non-conformances that affect a parameter controlled by Buyer drawing or specification, where form, fit, or function, interchangeability, Critical Safety Characteristic (“CSC”) related to Critical Safety Item (“CSI”) service life or reliability is affected. Seller shall submit dispositions of non-conformances, if any, affecting any such parameter(s) to Buyer’s MRB.
- (b) For Buyer-designed Items, Seller disposition authority is limited to scrapping of items, eliminating the non-conformance by rework to specification, or returning to vendor. On items of Buyer design, Seller shall document non-conformances for submittal to Buyer’s MRB for dispositions as required by this P.O. Seller shall not continue processing item(s) or incorporating any non-conformances into any item, process, procedure or data that affects a parameter controlled by Buyer drawing or specification or affects form, fit, or function, interchangeability, service life or reliability unless and until Seller has received prior written approval from Buyer. Upon prior written approval from Buyer, Seller’s continued processing shall be limited to subsequent operations that do not hide, alter or limit the ability to inspect, disposition or repair the item.
- (c) The Seller shall not make a “USE AS IS” decision without IEI’s approval.
- (d) Regardless of design control (Buyer or Seller) all departures from the Buyer’s specified requirements, or any non-conformity that may adversely affect the fit, form, or function, reliability, or safety for the deliverable item must be submitted to Buyer for MRB disposition.
- (e) When a non-conforming item is reworked or repaired it shall be subject to re-verification/re-inspection by the Seller to demonstrate conformance to the requirements and to assure no other non-conformity was incurred during the rework or repair process.
- (f) Items with disposition of “Scrap” shall be conspicuously and permanently marked (painted red) until physically rendered unusable. Scrap items shall not be shipped from Seller.
- (g) Seller’s non-conforming material reports shall be maintained by the Seller and made available for review by Buyer and Buyer’s Customers. Buyer and Buyer’s Customers reserve the right to dispute Seller’s MRB actions and/or audit the Seller’s MRB procedures, processes, and documentation at any time during the performance of this contract.

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- S. Commercial Requirements – Supplier shall comply with the requirements noted in the Contract Terms & Conditions (T&C) section of the purchase order and /or view on our website (<http://www.elbitsystems-us.com/supplier-portal/general-information>)
- T. Government Owned Property - Suppliers who maintain or manage Government Owned Property on-site will have documented Government Property Control Procedures. Additionally, suppliers will provide to IEI the latest copy of their Government Property Management System Analysis (PMSA).
- W. Part Marking Requirements - Supplier shall mark all deliverable products as required by the purchase order, engineering drawing, specifications and manufacturing planning.

As a minimum, parts manufactured for IEI, shall be identified with the following information, but are not limited to:

- a. Part Number
- b. Drawing Revision
- c. Date of Manufacture
- d. Purchase Order Number
- e. Indication of acceptance by the supplier's quality system (inspection stamp)
- f. FAA-PMA for all PMA parts

NOTE: Refer to the "Raw Material" section of this document for marking requirements specific to raw materials.

- X. Corrective and Preventive Action - The supplier shall respond to all buyer requests for corrective action on or before the requested response due date. Supplier shall maintain a documented system for determining root causes of documented defects and obtaining corrective action both internally and from its suppliers. The supplier is accountable for effectiveness of corrective and preventive actions taken.

Buyer requests for corrective and preventive action will be issued to the supplier's representative in the form of, but not limited to, Supplier Corrective Action Request (SCAR), and failure analysis reporting, as required by engineering specification or contract data item requirements. IEI retains the right to conduct corrective action verification at the primary supplier and/or sub-tier supplier facility to assess effectiveness of implemented corrective action.

NOTE: Material currently undergoing corrective action investigation processing up to and including verification of corrective action shall not be shipped without the authorization of IEI Quality Assurance.

- Y. Product Safety and Conformity - Supplier shall ensure that their personnel are aware of their contribution to product safety and conformity to requirements.
- Z. Supplier Sub-tier Control - Supplier is responsible for ensuring all items procured from its subcontractors conform to all requirements of the IEI purchase order and the IEI customer's requirements. Supplier shall ensure all applicable provisions of this document are flowed down to its subcontractors. Supplier shall ensure, through their quality system that sub-tier supplier quality system is at least compliant to the primary supplier quality system minimums found in the requirements listed under QA, Quality Requirements, of this document.
- AA. Documents (Format and Context) – All documents shall be in supplier format and context with the exception of First Article Inspection Reports (FAIR) which shall be in AS9102 format.

CMM Incoming Computerized / Precision Measurement

Item / material is required to be routed to Quality Assurance for additional measurement and / or tolerance inspection prior to acceptance.

CS Incoming Counterfeit Screening

Item/material is required to be routed to Quality Assurance for screening prior to acceptance.

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- IC Incomplete Item**
Item is received not complete; not to drawing. Item may require additional work, i.e. plating, paint, etc.
- QAR Government Inspection at Incoming**
Indicates required notification by Receiving personnel to on-site DCMA QAR representative for inspection at initial receipt of material.
- 5 Dimensional Test Data**
A copy of the seller's test report containing quantitative results of all dimensional measurements are required with each lot.
- 6 Functional Test Data**
A copy of the seller's final test report containing quantitative results of all electrical and/or functional tests are required with each lot.
- 7 Chemical & Physical Analysis**
A copy of the seller's test report containing quantitative results of chemical and/or physical analysis is required with each lot.
- 8 Material Safety Data Sheet (MSDS)**
The supplier shall attach an MSDS with every shipment, for each material.
- 11 First Article Inspection (FAI) (guidance in AS9102 latest revision)**
Seller is responsible, prior to delivery of the first production unit, to verify that a First Article Inspection has been accomplished on the particular part involved. A new FAI is required when changes are incorporated (delta only), or significant changes to the manufacturing process occurs. Manufacturing of the remaining lot without approval of the first unit is at the seller's risk. The seller shall perform this inspection. All part attributes shall be documented and the results submitted with the 1st shipment. The piece used for this inspection shall be uniquely identified. IEI Quality Assurance (QA) reserves the right to witness the FAI performance at the seller's facility. IEI QA shall be notified at least 7 working days prior to scheduled FAI task. IEI QA will return written notification if we wish to witness the FAI.
- 14 Source Inspection**
IEI inspection or test is required prior to shipment from seller's plant. IEI's representative may elect either to perform/witness inspection or test on a random basis or up to 100%.
- 15 Subject to Government Source Inspection / Third Party Inspection**
Government and/or third party inspection may be required prior to shipment from seller's plant. Upon receipt of this P.O. the seller shall promptly notify the government/third party Representative (local DCMA office) who normally services its plant, so that appropriate planning can be accomplished. If such representative does not serve the seller's plant, the seller shall contact IEI's purchasing agent or Quality Department immediately.
- 18 Raw Material Identification**
All raw material supplied under this P.O. must be clearly identified by the application, type, condition and manufacturer of the material.
- 26 Limited Shelf Life Items**
The seller shall provide with the Certificate of Conformance the expiration date, or date of manufacture, permissible shelf life, the lot or batch number, storage temperature and include any other pertinent information relating to the shelf life of the items supplied. The above shall also appear on the labels of the individual items or containers. The material shall not have exceeded 25% of the total shelf life by the date of shipment.
- 28 SPC Data Requirement**
A copy of the seller's statistical process control data (control charts, histograms, process capability studies), relevant to the manufacturing of this lot is required with this shipment.

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- 29 Raw Material Analysis**
Raw material used in the fabrication of parts under this P.O. shall be traceable to a mechanical and chemical analysis. The test results shall conform to the current material specification and/or acceptance tests. A copy of the actual analysis shall accompany each delivery.
- 32 Statement of Work (SOW) / Corporate Work Transfer (CWT)**
The seller shall meet all the supplementary quality requirements specified in the attached Statement of Work (SOW) or Corporate Work Transfer (CWT).
- 39 Boeing Company D1-4426 Approved Processors**
Seller shall be listed or utilize sources listed in Boeing document D1-4426, Boeing Approved Process Sources, whenever the manufacturing and inspection processes are listed in D1-4426, except as noted in D1-4426. The seller shall impose this requirement on the seller's subcontractors.
- 40 Lockheed Fort Worth Company QCS-001**
Seller shall comply with the process source control requirements and limitations of LFWC QCS-001 Processor Quality Requirements and Approved Process Sources.
- 45 Summary of Maintenance Actions**
Seller shall provide a report indicating the failure, the action performed to correct the failure (including replaced or reworked part numbers), and the actions performed that verified the correction (testing).
- 47 Additional Incoming Assessment**
Route to appropriate technical area for acceptance testing and/or other verification prior to input to stock. Approval noted on acceptance tag by initials/date.
- 50 Process Specification Certifications**
Supplier will provide copies of all special process certifications, including sub-tier supplier process certifications with the delivered product.
- 51 Tooling – Suppliers of Special Tooling or Special Test Equipment**
In addition to the providing Packing Slips and Certificates of Conformance, record the tool number, tool symbol, and tool serial number (including the 'multiple' number, as applicable).
- FAA -- Federal Aviation Authority**
- DAAP** Drug and Alcohol Abuse Prevention Program – As a certificated CFR § 145 “Repair Station”, provides covered functions for 14 CFR § 121 and § 135 operators. IEI, as prescribed by regulation, maintains an antidrug and alcohol misuse prevention program in accordance with 14 CFR § 120, Drug and Alcohol Testing Program. IEI requires that all suppliers providing goods and services in support of its 14 CFR § 145 Repair Station maintenance activities, institute and maintain an antidrug and alcohol misuse prevention program in accordance with 14 CFR § 120. The program shall conduct tests for Pre-Employment Screening, Periodic, Random, and where necessary, Post-Accident, Reasonable Cause/Suspicion, Return to Duty, and Follow Up screenings. Annual reports of antidrug program and alcohol misuse prevention program results must be maintained and be available for review by the FAA, IEI and its customers in accordance with the requirements of 14 CFR § 120.
- 8130** Overhauled/Repaired/Modified Items – FAA Certified Repair Stations - Supplier shall provide a completed serviceable tag with Maintenance Release Statement, FAA Form/Tag 8130-3 in accordance with 14 CFR § 43. Any Airworthiness Directives (AD) or Service Bulletins (SB's) required by contract or the FAA shall be documented on the 8130-3, including level of compliance.
- 337** When applicable, the supplier shall provide FAA Form 337, “Major Repairs and Alteration Statement”, and or FAA Form 8110-3, “Statement of Compliance with Federal Aviation regulations, and Alternate Method of Compliance”. A CRS must perform the work (CRS status may be authenticated by IEI utilizing the FAA website or other appropriate source). Supplier shall provide a completed copy of the final inspection work order, which details the entire scope of work performed, upon request.

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Revision	Release Date	Summary
Original	10/10/2001	Initial Version
A	4/18/2011	Removed NSF / QPI header information; Added CS code for counterfeit screening process
B	1-19-2012	Revised Code 15 Subject to Government Source Inspection / Third Party Inspection
C	7-16-2012	Assigned controlled document number, previously controlled by date, carried revision history over. Added Code P (Counterfeit Parts Prevention) and Q (Notification of Non-Conformance) to QA General Requirements.
D	30 May 14	Changes per DCR 14-011. Add para "R. Material Review Authority"
E	11 Dec 2014	Changes per DCR 14-021. Add additional requirements to Clause L.
F	19 Feb 2016	Changes per DCR 16-001. Add FAA requirements and additional quality codes.
G	2 Aug 2019	Changes per DCR 19-063. Clarify FAA Quality Codes.
H	27 May 2021	Changes per DCR 21-024. Added Codes Y, Z, AA, Deleted Code 49