

1324-001 PURCHASING QUALITY CLAUSES (PQC)

1. GENERAL REQUIREMENTS

A. Inspection Requirement

Please inspect all parts for Foreign Object Debris (FOD) before shipping to FabTech Services, LP (FabTech).

B. FabTech Purchase Order Terms & Conditions

Award of this Purchase Order is subject to and strictly conditioned upon Seller's acceptance of the FabTech Purchase Order Terms and Conditions, which are incorporated herein by reference; any terms or conditions proposed by Seller that are inconsistent with or in addition to those terms and conditions shall be void and of no effect unless specifically agreed to in writing by FabTech, regardless of whether such terms and conditions materially alter this Purchase Order.

Supplement 1 FAR Provisions (Revision Date — April 2014)

Supplement 2 DFARS Provisions (Revision Date — May 2014)

C. Quality Management System Requirements

The Seller must maintain, and require its subcontractors to provide and maintain, a Manufacturing / Inspection / Test / Improvement Quality Management System acceptable to the Buyer or as otherwise invoked in the Purchase Order. The Seller's Quality Management System shall be subject to random audits and approval by the Buyer's quality representatives at all reasonable times for all shifts and locations in which articles are produced under this order. The Seller shall notify the Buyer of any nonconforming conditions found on the product. For nonconforming conditions, all decisions to 'Repair', "Use - As - Is", and/or all "standard repair procedures" utilized by the Seller in the performance of this order require Buyer approval prior to implementation via the FabTech "Supplier Deviation Request" Form.

D. Quality Flow Down Requirements

The Supplier is responsible for any sub-tier suppliers and, as such, must notify FabTech in writing of their intention to use sub-tier suppliers for any processes that are considered "special processes." The Supplier shall flow-down all applicable FabTech Quality Requirements to all sub-tier suppliers performing work involving this purchase order. FabTech or our customer reserves the right to participate in the evaluation and qualification of special process sub-tier suppliers and to inspect at the source any product or service not manufactured or performed within the primary supplier's facility. The election to participate in these activities will be made by FabTech or our customer Supplier Quality and/or Quality Assurance.

E. Material Traceability Requirements

When material traceability data is not required to ship with the product, it is understood that the supplier is obligated to provide such data (e.g. Certificate of Material, Certificate of Analysis, Certificate of Test, etc.) upon request.

F. Right of Access Requirements

The Buyer, Buyer's customer, and regulatory authorities shall be granted the right of access to all facilities involved in the order and all records pertaining to such order throughout the fulfillment of a contract.

G. Procedure Approval Requirements

The Seller shall submit to the Buyer's Purchasing Representative a copy of the "special process" procedure(s) prior to use if such procedure(s) are used directly or indirectly in the process of the material being furnished under this Purchase Order. This includes sub-tier supplier procedures if applicable. The list of special processes below can be used for reference only, and should not be confused as a list of applicable special processes.

- Bonding
- Brazing
- Casting
- Chemical Surface Treatments
- Destructive Physical Analysis (OPA)
- Heat Treating of Metals
- Plating
- Pressure Testing
- Magnetic Particle Inspection
- Radiographic Inspections
- Ultrasonic Inspection
- Welding

H. Certificate of Conformance Requirements

A Certificate of Conformance is required with shipment, stating that all furnished material to FabTech, as well as raw materials and special processes used to make product, are in conformance with applicable requirements of the Purchase Order, Drawings, and Specifications. Certification shall include the following items:

1. Original Manufacturer's name and address.
2. Purchase Order Number
3. Part Number, Revision, & Quantity Shipped.
4. Drawing Number & Revision (If different from Part Number).
5. Serial Numbers, Date Code, or Lot Number (if applicable)
6. Name of Sub-tier Supplier, and description of services (If applicable).
7. QA signature and date.
8. Statement of conformance to all requirements.

I. Material Specification Certificate Requirement

A material certificate verifying the chemical and physical properties match the requested material specification is required with this shipment. Each heat of material furnished with this order requires a separate Material Certificate. The Material Certificate should have the following information:

1. Customer Name
2. Purchase Order Number
3. Material Description
4. Material Specification
5. Material Marking
6. Part Number
7. Chemical Analysis Specification Requirements
8. Chemical Analysis Results
9. Mechanical Property Specification Requirements
10. Mechanical Property Test Results
11. Final Heat Treatment Condition of Material (if applicable)
12. Positive Material Identification (if applicable)
13. Additional Testing Requirements (if applicable)
14. Additional Testing Results (if applicable)

J. Supplier Data Requirements

A copy of the supplier's inspection, functional testing, calibration, and/or test results, along with any other data indicating conformance to the requirements of the Purchase Order, drawings and applicable specifications is required with this shipment.

K. First Article Inspection Requirements

A First Article Inspection (FAI) is required for this product and must be performed in accordance with the AS9102 specification. The FAI shall be documented on the standard AS9102 form. All nonconformances must be communicated to FabTech via a FabTech "Supplier Deviation Request" Form, and must be approved by the Seller and included in the FAI Package before shipment can occur. The FAI package shall be provided to FabTech either before or with the shipment of product.

L. Source Inspection Requirements

A Source Inspection (SI) at Seller's facility, by the Buyer is required prior to shipment. This requirement must not be bypassed without written authorization from the Buyer. Seller shall notify the Buyer at least ten (10) days in advance of the date material is expected to be ready for inspection. Mandatory Mold Points (MMP) may be required. The Buyer may designate MMP defining operations in the Supplier's manufacturing and/or inspection sequence that are to be witnessed by the Buyer prior to completion by the Seller. This activity shall be performed in such a manner to not disrupt normal processing and shall be conducted on a non-interference basis. If any inspection or test is made by Buyer, Seller without additional charge shall provide a safe place to work, reasonable facilities, any inspection or test data on hand, and assistance for the convenience of Buyer in the performance of their duties. If Buyer inspection or test is made at a point other than the premises of seller or a subcontractor, it shall be at the expense of the Buyer except as otherwise provided in the Purchase Order; if, in case of rejection, Buyer shall not be liable for any reduction in value of samples used in connection with such inspection or test.

M. Electric Boat's Customer Contract Requirements

Electric Boat will be the End User of this material. In result, the following requirements below are imposed on this order and will supersede any conflicting FabTech terms and conditions or requirements.

N. Rated Order Certified for National Defense

This is a rated order certified for national defense use and you are required to follow all applicable provisions of the Defense Priorities and Allocation System Regulation 15 CFR 700 related to DPAS rating requirements. A copy of this document may be found at <https://gpo.gov>

Prime Contract Number: M00024—08-C—2103

DPAS Rating: DO-A3

O. *Export Control Requirements*

The following parts in this Purchase Order are ITAR (U.S. Export Administration Regulations) Controlled.

P. *Quality Requirements*

Preservation, Packing and Packaging Requirements

Restrictions on packing and packaging materials - In addition to the restriction above on the use of yellow wrappings or protection devices, the following also apply:

1. The use of masonite as a protective, sealing or packaging material is expressly prohibited.
2. In addition, the use of plywood, cardboard or other materials that will splinter, flake, or crumble is prohibited as protective covering for openings on fittings, valves and components.
3. CRES or aluminum sheet, .050 thickness or greater, or suitable plastic, is the only acceptable material for capping, sealing, or protecting opening and machined surfaces unless otherwise approved in writing by FabTech on a case basis.
4. THE USE OF STYROFOAM PACKING AND YELLOW PLASTIC WRAPPING MATERIAL IS PROHIBITED.



Q. Mercury Contamination Prohibited

Functional mercury and mercury contamination prohibited notwithstanding any other provisions of this order or specifications referenced herein, material furnished by the seller under this order shall not contain functional mercury unless specific written approval has been obtained.

R. Effectivity Date for Material Specifications

Except in cases where a specific revision of a material specification is invoked by this specification or other contractual documents, the Seller may elect to use material procured to later revisions than the effective revision in effect on the date of January 1, 2012, provided that the material form, mechanical properties and chemical composition for the material will not be degraded, and that neither the number nor the scope of any required destructive or non-destructive tests or other inspections will be reduced, or the acceptance criteria degraded.

Previous material specification revisions relative to the effectivity date may be used only after obtaining Buyer approval. Material specifications are defined as those specifications that identify the requirements for mechanical properties, chemical composition, testing, and inspection for the materials of construction for the components. This includes only specifications for metals in all forms, non-metallics, and fasteners. If the Seller elects to use material procured to an earlier or later revision of a specification, they shall maintain auditable records documenting that the material meets the requirements of the preceding paragraph. Material records shall be retained for the duration specified in the purchase order.

S. Effectivity Date for Primary Referenced Documents Except Material Specifications.

Except in cases where a specific revision level is identified by this procurement specification or other contractual documents, the revision of referenced documents other than material specifications shall be the revision in effect on the date of January 1, 2012. Documents created after January 1, 2012 will include the required revision level in this procurement specification. Subsequent or previous revisions of referenced documents may be substituted to reduce cost provided such substitutions are not technically inferior, do not adversely affect integrated logistics support, do not impair performance, life, safety, maintainability, and reliability, are interchangeable with the effective specification, and provided Buyer approval of the substitution is obtained.

2. ADDITIONAL REQUIREMENTS

A. 1324-001 PQC Addendum #1

Refer to document 1324-001 Addendum #1

| REV | Nature of changes | Approval | Date |
|-----|--|--------------|------------|
| 1 | Original release. | Chad Klodner | 09-01-2015 |
| 2 | Updated 1B PO T's & C's doc name, updated link in paragraph 1N, fixed typo in prime contract number referenced in 1N | Chad Klodner | 01-13-2017 |
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