

PURCHASE ORDER NOTES

The following Purchase Order Notes correspond to the numbered boxes found in the midsection of the Talley Purchase Order (TDS Form 656A PC). When a box is checked, the corresponding Purchase Order Note below pertains as a contractual requirement. Unless otherwise specified, the Note applies to the Purchase Order in its entirety.

NOTE 1 Parts are to be manufactured complete to all blueprint callouts and specifications. When a Talley Inspection Record (Form TDS-008) is included with this purchase order, any additional requirements denoted on that form become a part of this contract. The supplier shall inspect, record all data and return one copy of the TDS-008 Inspection Record with all shipments.

When a TDS-008 is not included with this purchase order, the supplier shall provide inspection documentation, in its format, with actual data recorded. The supplier's inspection documentation must accompany each shipment.

NOTE 2 Spares – Parts shall be identified per the blueprint requirements. Neither the supplier nor Talley Defense Systems possesses MRB authority on these parts.

NOTE 3 Talley's customer-approved process suppliers must be utilized. A list of approved process suppliers can be obtained from the Purchasing representative who issued this order.

NOTE 4 Individual parts do not need to be individually marked, however part packaging must be clearly affixed with part identification. If the parts are packaged in multiple quantities in one package or container, the container shall possess part identification. Marking method shall be legible A-A-208 rubber stamp or ink. (Refer to Talley SOP 12883, Method III "B").

NOTE 5 Sumitomo Line Item - To be inspected to ANSI / Z1.4, Tightened Inspection, Single Level III (Accept on 0, Reject on 1). Talley Defense Systems does not possess MRB authority on these parts.

NOTE 6 Statistical Process Control (SPC) is required. The supplier shall submit its SPC plan to Talley for approval within 15 days of receipt of this order.

NOTE 7 The supplier may not ship more than 30 days prior to the Purchase Order delivery date.

NOTE 8 Shelf Life Identification is incorporated as a condition of this contract. The supplier or distributor is responsible for ensuring that individual product containers are clearly marked with a shelf life expiration date.

Adhesive-backed labels must have shelf-life designated on its packaging or accompanying paperwork.

If the supplier, as a distributor, receives product from the manufacturer without shelf life indicated, the supplier/ distributor is responsible for obtaining and affixing shelf life information on each individual container.

An individual container is considered to be the smallest container within a packaged grouping. For example, in a package with 12 tubes of adhesive, each tube would be an individual container.

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Note 8 (continued) - A Certificate of Compliance must accompany the material and indicate shelf life applicability; i.e. state "Shelf life is applicable" or "Shelf life is not applicable." Shipments will not be accepted if the Certificate of Conformance is silent.

NOTE 9 Configuration Control – Component parts used in the fabrication of the assembly ordered must conform to the revision levels as noted on the attached "Product Baseline Configuration". Certifications must reference each part number and the applicable revision level.

NOTE 10 Lot traceability is a strict requirement of this contract. Lot traceability of Talley Defense Systems' furnished material must be maintained throughout the manufacturing process. Certificates of Conformance must clearly identify each production lot.

NOTE 11 Raytheon Approved Supplier Line Item – The recipient of this PO shall not change subtier suppliers, processes or materials for the part(s) or order denoted with this PO note without the express written permission of the Nammo Talley Buyer. The Nammo Talley Buyer is responsible for ensuring that Raytheon Corporation has reviewed and approved any supplier, process or material change in advance.

NOTE 12 This Purchase Order is issued for material, facilities, Special Tooling or Special Test Equipment (STE) that is property of the US government. As noted herein it is to be clearly marked as: (1) "Property of the US Government" and (2) identified with the tool or part number specified in the Purchase Order.

Title to all materials, facilities, Special Tooling or STE (collectively "property") will pass to and vest in Talley or the Government when the supplier first uses the property in performing this subcontract or when Talley or the Government has paid for the property, whichever is earlier.

While this property is in the supplier's possession, the supplier must comply with the requirements of FAR 45.5, "Management of Government Property in the Possession of Contractors" which is incorporated by reference.

Physical inventories of Talley and Government property in the possession of the supplier, or for which the supplier has responsibility, shall be performed by the supplier at least annually. A DD1662, 'DOD Property in the Custody of Contractors' must be completed and forwarded to the attention of the Talley Property Administrator no later than September 30th of each year.

The supplier shall permit Talley, the Government and their designees unrestricted access to any Talley or Government property in the supplier's custody.

NOTE 13 Deleted

NOTE 14 The designated O-Rings must be bulk packaged.

NOTE 15 Talley Defense Systems Source Inspection is a requirement for this Purchase Order. Notify the Talley Buyer or the Quality Representative identified herein at least 20 days prior to completion of production.

NOTE 16 Deleted

NOTE 17 Deleted

NOTE 18 Deleted

NOTE 19 No partial shipments will be accepted unless authorized by the Talley Buyer.

NOTE 20 Deleted (see Note 1).

NOTE 21 First Part Inspection - The supplier is to perform a 100% first part inspection of all characteristics on at least one part that is produced by production tooling and represents the process capability. A first part inspection is required for each production run. Actual measurements of the first part are to be recorded and the inspection record sent with the shipment.

NOTE 22 Deleted

NOTE 23 Deleted

NOTE 24 Deleted