



Modern Industries Inc.

Fabrication / Machining Purchase Order Quality Requirements

1. The Supplier shall acknowledge Understanding and Acceptance of the PO by returning a copy of the PO to Modern Industries, Inc. Purchasing Department bearing a legible signature from an authorized company representative.
2. Supplier shall notify Modern Industries' (MII) Purchasing Department when:
 - a. The PO price and suppliers quoted price are different, no price on the PO or are unable to comply with all PO and Quality Requirements. Non-Compliance may render the product unfit for use.
 - b. Any non-conformance from the requirements of the drawing specification, delivery or purchase order requirements must be reported with cause and corrective action in writing. All non-conformances shall be documented within shipping documents and individual parts specifically identified as non-conforming.
 - c. As to any product or service obsolescence at least 180-days in advance of such obsolescence. Notification must include reason for obsolescence, last time buy date and specifications and pricing for alternative products or services recommended to replace obsolete product or service.
3. Verbal agreements or instructions are strictly prohibited.
4. MII maintains a 3-day ship window on all shipments. Any shipment arriving outside this window is subject to refusal of shipment and returned to supplier at the supplier's expense.
5. Supplier, at a minimum, shall have a documented Quality System compliant to ISO 9001 or AS 9100, in the areas noted below, and Calibration per ISO 10012-1 and ISO 10012-2 to the extent necessary to comply with requirements of this PO.
 - Calibration of Inspection and Test Equipment
 - Contract Review
 - Control of Customer Supplied Material
 - Control of Nonconforming Product
 - Control of Quality Records
 - Control of Raw Material
 - Corrective Action
 - Final Inspection
 - Internal Audit Program

- Provision for the Prevention, Detection and Removal of Foreign Objects
- Receiving Inspection
- Written Work Instructions

6. Supplier shall:

- a. Return parts, prints, documents and gages in the same containers as received unless otherwise directed in writing from MII.
- b. Not subcontract items listed on the PO without MII's written approval.
- c. Prevent handling damage, FOD and metal-to-metal contact of product, either in place or during movement, using safe and prudent handling practices and equipment.
- d. Ensure Customer Approved Vendors are utilized for ALL special processes.
- e. Furnish certifications identifying processes performed. Certifications shall provide current specification level, items such as, but not limited to thickness, hardness, results or special process perimeters with each shipment.
- f. Maintain Test Specimens used for testing to assure process of product conformity as required by governing specification, whenever applicable.
- g. Control all approved subcontractors and ensures all PO requirements are flowed down.
- h. Maintain All Quality Records for no less than seven years.
- i. Quality Records include, but are not limited to: First Article Inspection Report, Routers/Travelers, In Process and Final Inspection Reports, SPC Data, Non-Conforming Material Reports, Certificate of Conformance, Material Cert and Special Process Certifications.
- j. Not change or modify without MII's written approval operations, process, special process suppliers or an approved technique sheet after the first article has been accepted.
- k. Provide First Article Inspection Report (FAI) for each new part number, revision level, new lot and/or annually. FAI shall be performed in accordance with SAE AS 9102 or equivalent.
- l. Deliver a Certificate of Conformance (MII-FRM-00111), Detailed Inspection Report, Material Certifications and Special Process Certifications with each shipment.
- m. Perform 100% visual inspection for FOD and Cosmetic requirements noted within the Purchase Order, Blueprint or governing Specification. Inspection to be completed by trained and authorized inspection personnel.
- n. Select gages with an accuracy ration of 10 to 1 (product tolerance to gage tolerance). Accuracy ratios as low as 4 to 1 are permitted, but must be documented.
- o. Provide SPC (Statistical Process Control Charts), with each shipment, when "Key Characteristics" and /or "Critical Characteristics" are identified on the Purchase Order, Blueprint or governing Specifications.

7. Part(s) must meet customer drawing, specifications and current revision level.

- a. Qualified Personnel shall complete inspection and tests as applicable.

8. MII, its Customers and Regulatory Agencies reserve the right of access to the supplier's premises

to determine quality of work, records and material on parts and processes noted herein.

9. In the event of a failure including, but not limited to, form, fit or function; the supplier shall provide a written and detailed failure analysis / cause and corrective action with appropriate objective evidence upon
10. In the case of Applied Materials specific parts, the following shall apply:
 - a. The Workmanship Standard 0250-09954 and the MII-PRS-00070 Hand Finish Requirements are required.
 - b. Comply with all requirements of "Copy Exact" as defined by Applied Materials.

REVISION LIST:

DATE	CHANGE DESCRIPTION
10/03/2006	INITIAL RELEASE
12/01/2009	ADDED PARAGRAPH #10 TO INCLUDE APPLIED MATERIALS DETAIL PER DW (VCJ)
02/15/2010	Revised the format and removed the ISO 9001 and AS 9100 revisions
03/03/2010	Added copy exact