(A) GENERAL:

(A.1) A ROLLS ROYCE COMPANY (I.E. ROLLS ROYCE CORP./INDIANAPOLIS,
ROLLS ROYCE PLC, ROLLS ROYCE CANADA, ROLLS ROYCE DUETSCHLAND) IS THE
END USER.

(A.2) DURING PERFORMANCE OF THIS ORDER, YOUR QUALITY CONTROL SYSTEMS
AND MANUFACTURING PROCESS ARE SUBJECT TO REVIEW, VERIFICATION,
ANALYSIS, AND APPROVAL BY TCT, AND AUTHORIZED ROLLS ROYCE AND FAA
REPRESENTATIVES.

(A.3) TCT, ROLLS ROYCE, AND THE FAA SHALL BE AFFORDED THE RIGHT TO
VERIFY AT THE SUPPLIER'S PREMISES ANY INFORMATION RELATING TO THE
MANUFACTURE, PROCUREMENT, TESTING, AND/OR INSPECTION OF PRODUCT
REQUIRED FOR THE PERFORMANCE OF THIS ORDER.

(A.4) SUPPLIER IS RESPONSIBLE FOR COMPLYING WITH ALL OF THE
REQUIREMENTS OF THIS PURCHASE ORDER INCLUDING PROVIDING COMPLETE AND
PROPER DOCUMENTATION WITH EACH SHIPMENT OF PRODUCT. IF THE REQUIRED
DOCUMENTATION IS INCOMPLETE OR INCORRECT, THE SUPPLIER'S ACCOUNT MAY
BE DEBITED $200.00 PER OCCURRENCE.

(A.5) SUPPLIER IS SUBJECT TO ALL TERMS AND CONDITIONS SPECIFIED ON THE
REVERSE SIDE OF THIS PURCHASE ORDER.

(A.6) THE INFORMATION DISCLOSED HEREIN IS PROPRIETARY WITH
TURBOCOMBUSTOR TECHNOLOGY, INC (TCT) AND/OR ROLLS ROYCE AND SHALL NOT
BE DUPLICATED, USED, OR DISCLOSED TO REPRODUCE ARTICLES OR SUBJECT
MATTER COVERED THEREIN WITHOUT WRITTEN PERMISSION OF TCT. BY
ACCEPTANCE OF THIS P.O., THE SUPPLIER AGREES TO AFFIX THIS STATEMENT
OUTSIDE SERVICES - ROLLS ROYCE (RR) PRODUCT:

TO ANY DUPLICATION THEREOF IN WHOLE OR IN PART.

(A.7) UNLESS OTHERWISE STATED, ALL QUANTITIES STATED HEREIN ARE
ESTIMATED QUANTITIES ONLY. TCT'S ACTUAL REQUIREMENTS MAY IN FACT BE
LESS THAN THE AMOUNTS LISTED AS "MAXIMUM" OR "TOTAL". THE FACT THAT
NO RELEASES ARE MADE, OR THAT THE RELEASES MADE ARE LESS THAN THE
ESTIMATED QUANTITIES, WILL NOT SERVE AS A BASIS FOR AN EQUITABLE
ADJUSTMENT UNDER THE "CHANGE" CLAUSE OR ANY TERMINATION CLAUSE. TCT
MAKES NO GUARANTEE, WARRANTY, OR ANY OTHER REPRESENTATION THAT ANY OF
THE QUANTITIES STATED IN THIS AGREEMENT WILL IN FACT BE REQUIRED. ANY
COST SELLER INCURS OUTSIDE THE AGREED UPON LEAD TIME IN ANTICIPATION
OF RELEASED REQUIREMENTS WILL BE SOLELY AT THE SELLER'S OWN RISK AND
TCT ASSUMES NO LIABILITY THEREFOR.

(A.8) ANY EXPEDITED DELIVERY COSTS (E.G. AIR FREIGHT) CAUSED BY
NON-ADHERENCE TO THE PURCHASE ORDER SCHEDULE AND NEGOTIATED LEAD TIMES
SHALL BE THE RESPONSIBILITY OF THE SUPPLIER.

(A.9) N/A.

(B) QUALITY SYSTEMS:

(B.1) SUPPLIER AND ALL SUBTIER SUPPLIERS MUST BE CERTIFIED TO AS9100
UNLESS OTHERWISE AUTHORIZED (REFERENCE B.2).

(B.2) SUPPLIER'S QUALITY SYSTEM MUST CONFORM TO ROLLS ROYCE SABRE
MANUAL (AVAILABLE AT WWW.SUPPLIERMANAGER-ONLINE.COM).

(B.3) N/A

(B.4) SUPPLIER IS RESPONSIBLE FOR FLOWING DOWN AND FOR ENSURING
ADHERENCE TO THE REQUIREMENTS OF THIS PURCHASE ORDER BY ALL SUB-TIERS.

(B.5) NADCAP AND ROLLS ROYCE APPROVAL FOR PERFORMING SPECIAL PROCESSES
IS REQUIRED.
OUTSIDE SERVICES - ROLLS ROYCE (RR) PRODUCT:

(B.6) SUPPLIER WILL RETAIN ALL RECORDS IN ACCORDANCE WITH THE ROLLS ROYCE SABRE MANUAL, AND WILL MAKE THESE RECORDS AVAILABLE TO TCT UPON REQUEST WITHIN 24 HOURS. UNLESS OTHERWISE SPECIFIED, RECORDS SHALL BE RETAINED IN ACCORDANCE WITH THE REQUIREMENTS FOR ROLLS ROYCE CORP. "CRITICAL PARTS" OR ROLLS ROYCE PLC "CLASSIFIED PARTS", AS APPLICABLE TO THE PRODUCT ON ORDER.

(B.7) AS REQUIRED TO VERIFY PRODUCTS AND PROCESSES, SUPPLIER SHALL USE AND MAINTAIN CALIBRATED INSPECTION AND TEST EQUIPMENT IN ACCORDANCE WITH ANSI/NCSL Z540.1, ISO 10012, AND ISO/IEC 17025, AS APPLICABLE.

(C) SOURCE SUBSTANTIATION AND FIRST ARTICLE REQUIREMENTS:

(C.1) SPECIAL PROCESSES SHALL NOT BE PERFORMED WITHOUT WRITTEN AUTHORIZATION (VIA BLUEPRINT, P.O., OR SIMILAR). PER RPS900, ROLLS ROYCE APPROVED DATA CARDS MUST BE USED FOR ALL SPECIAL PROCESSES (INCLUDING WATERJET CUTTING TO RPS689 IF PRODUCT IS FOR ROLLS ROYCE PLC OR ROLLS ROYCE CANADA). DATA CARDS AND PROCEDURES FOR NDT (X-RAY, FPI, MPI, ETC.) MUST BE APPROVED BY A ROLLS ROYCE APPROVED NDT LEVEL III. NO CHANGES MAY BE MADE TO APPROVED SOURCES OR PROCESSES WITHOUT TCT AND/OR ROLLS ROYCE APPROVAL, AS APPLICABLE.

(C.2) N/A

(C.3) UNLESS OTHERWISE SPECIFIED ON THE PURCHASE ORDER, A FIRST ARTICLE SHALL BE MANUFACTURED, AND INSPECTION RESULTS SHALL BE DOCUMENTED IN ACCORDANCE WITH AS9102 AND ROLLS ROYCE SABRE MANUAL SECTION "FAIR AND COMPONENT PROVING". BOTH THE PRODUCT AND INSPECTION RESULTS SHALL BE SUBMITTED TO AND APPROVED BY TCT ENGINEERING (AND/OR ROLLS ROYCE IF APPLICABLE) PRIOR TO CONTINUING PRODUCTION.
(D) PRODUCT REQUIREMENTS:

(D.1) UNLESS OTHERWISE APPROVED IN WRITING BY TCT OR ROLLS ROYCE, 100% INSPECTION TO THE BLUEPRINT (B/P) REQUIREMENTS SHALL BE PERFORMED ON ALL PRODUCT PRIOR TO SHIPMENT. ALL SAMPLING PLANS SUBMITTED FOR APPROVAL SHALL BE STATISTICALLY VALIDATED USING A SAMPLE SIZE OF AT LEAST 25. ONCE APPROVED, SPC METHODS SHALL CONTINUE TO BE USED TO ENSURE THE PROCESS CAPABILITY (CPK) IS MAINTAINED AT OR ABOVE A 1.3.

(D.2) TRACEABILITY TO THE TCT-ASSIGNED LOT NUMBER (OR SERIAL NUMBER IF APPLICABLE) SHALL BE MAINTAINED FOR ALL TCT-SUPPLIED MATERIALS / PRODUCT DURING ALL STAGES OF PROCESSING THROUGH SHIPMENT TO TCT. SIMILARLY, HEAT NUMBER OR LOT TRACEABILITY SHALL BE MAINTAINED RELATIVE TO THE TCT-ASSIGNED LOT/SERIAL NUMBER FOR ALL OTHER MATERIALS INCORPORATED INTO THE PRODUCT.

(D.3) UNLESS PARTS ARE ALREADY UNIQUELY IDENTIFIED UPON RECEIPT (AND THAT MARKING IS NOT OBLITERATED DURING PROCESSING), PRODUCT SHALL BE TAGGED OR INK MARKED (USING TEMPORARY INK IN AN AREA NOT DETRIMENTAL TO THE PRODUCT) WITH THE TCT-ASSIGNED LOT NUMBER (HAVING THE FORM OF P0XXXXXX). WHERE LARGE QUANTITIES OF PARTS HAVE BEEN ASSIGNED THE SAME LOT NUMBER, MARKING OF INDIVIDUAL PARTS IS NOT REQUIRED PROVIDED THE PARTS ARE SEGREGATED IN SEPARATE CONTAINERS (BAGS, BOXES, ETC. AS APPROPRIATE) AND EACH INDIVIDUAL CONTAINER IS CLEARLY IDENTIFIED WITH THE TCT-ASSIGNED LOT NUMBER.

(D.4) N/A

(D.5) ANY SPECIALTY METALS INCORPORATED IN ARTICLES DELIVERED UNDER THIS PO SHALL BE MELTED IN THE UNITED STATES OR OTHER QUALIFYING COUNTRY IN ACCORDANCE WITH DFARS CLAUSE 252.225-7014, "PREFERENCE FOR DOMESTIC SPECIALTY METALS", AND DFARS CLAUSE 225.872-1,
"CONTRACTING WITH QUALIFYING COUNTRY SOURCES - GENERAL".

(E) SHIPPING REQUIREMENTS:

(E.1) PACKAGING SHALL BE ADEQUATE TO PREVENT DAMAGE AS WELL AS EXCESSIVE SHIFTING DURING TRANSIT.

(E.2) ALL CONTAINERS OVER 50 LB GROSS WEIGHT SHALL BE PLACED ON A PALLET TO ENABLE MECHANICAL HANDLING.

(E.3) PAPER, CARDBOARD, OR OTHER SUITABLE MEANS SHALL BE USED TO PREVENT METAL-TO-METAL CONTACT BETWEEN ALL MACHINED/FINISHED SURFACES OF PRODUCT.

(E.4) PACKAGING SHALL BE CLEARLY IDENTIFIED WITH THE FOLLOWING INFORMATION: SUPPLIER NAME, P.O. NUMBER, PART NUMBER OR PRODUCT DESCRIPTION, AND TCT-ASSIGNED LOT NUMBER (OR SERIAL NUMBER).

(F) DOCUMENTATION REQUIREMENTS:


(F.2) CERTIFICATE OF CONFORMANCE, WHICH INCLUDES SUPPLIER'S INFORMATION, THE PART NUMBER AND QUANTITY BEING SHIPPED, TCT-ASSIGNED LOT NUMBER(S), THE PACKING SLIP NUMBER, REFERENCE TO DOCUMENTATION AUTHORIZING SHIPMENT OF NONCONFORMING PRODUCT (IF APPLICABLE), AND THE P.O. NUMBER.

(F.3) N/A

(F.4) N/A

(F.5) DOCUMENTATION FROM TCT AUTHORIZING SHIPMENT OF NONCONFORMING PRODUCT (IF APPLICABLE), WHICH REFERENCES THE P.O. NUMBER, PART
OUTSIDE SERVICES - ROLLS ROYCE (RR) PRODUCT:

NUMBER, TCT-ASSIGNED LOT NUMBER(S), AND QUANTITY AUTHORIZED FOR
SHIPMENT.

(G) NONCONFORMING PRODUCT:

(G.1) IF TCT ENGINEERING HAS AGREED IN WRITING (PRIOR TO SHIPMENT) TO
ACCEPT NONCONFORMING PRODUCT IN ITS CURRENT CONDITION, THE SUPPLIER
SHALL SUPPLY A SEPARATE CERTIFICATE OF CONFORMANCE FOR THE
NONCONFORMING PRODUCT, REFERENCING THE P.O. NUMBER, PART NUMBER,
TCT-ASSIGNED LOT NUMBER OR SERIAL NUMBER, QUANTITY, ETC. THE DOCUMENT
SHALL ALSO STATE THAT THE PRODUCT DOES NOT FULLY CONFORM TO THE
PURCHASE ORDER REQUIREMENTS AND SHALL IDENTIFY AND TAKE EXCEPTION TO
THE SPECIFIC NONCONFORMANCES IDENTIFIED. SUPPLIER SHALL ALSO INCLUDE
DOCUMENTATION FROM TCT AUTHORIZING ITS SHIPMENT.

(G.2) IF PRODUCT IS FOUND TO BE NONCONFORMING UPON RECEIPT BY TCT (AND
WITHOUT PRIOR NOTIFICATION OF THE NONCONFORMANCE BY THE SUPPLIER AND
SHIPMENT AUTHORIZATION BY TCT), AND IS DEEMED BY TCT ENGINEERING TO BE
REWORKABLE TO A USABLE CONDITION, SUPPLIER MAY BE HELD RESPONSIBLE FOR
ALL COSTS INCURRED BY TCT ASSOCIATED WITH REWORKING THE PRODUCT, UP TO
ITS ORIGINAL PURCHASE PRICE.

(G.3) WHEN SHIPPING TO TCT, NONCONFORMING PRODUCT SHALL BE PHYSICALLY
IDENTIFIED USING A TEMPORARY METHOD OF IDENTIFICATION (PREFERABLY A
RED TAG). NONCONFORMING PRODUCT, WHEN SHIPPED WITH CONFORMING
PRODUCT, SHALL BE SEGREGATED IN SEPARATE BAGS, BOXES, OR OTHER
APPROPRIATE PACKAGING. THE PACKING SLIP SHALL IDENTIFY THE
NONCONFORMING PRODUCT (QUANTITY AND IDENTIFICATION/TRACEABILITY)
SEPARATELY FROM THE CONFORMING PRODUCT.

[REV. 07/14/09 NEW]