Clause Number: D016S Effective: 8/24/2006 Page: 1 of 1

MATERIAL FURNISHED TO SELLER (Variable)

Material as listed below, or engineering authorized substitutions, shall be furnished by Buyer, FOB Seller's plant, in random lengths or incremental sizes and in the optimum size as planned by Buyer, and in quantities including the scrap factors as specified in Seller's quote and constituting a part of its competitive bid. Seller is requested to review this material size in the light of machining methods to be employed and to propose any changes which would reduce offal, increase finished part yield and/or otherwise facilitate the machining process. All materials not shown shall be furnished by Seller. Seller shall be responsible for bailed materials and shall store such materials in corrosion protective facilities at no cost to Buyer. Buyer may inspect such facilities and bailed materials at all reasonable times. Seller shall forward a flash copy of a Material Review Record (MRR) within ten (10) days of the date that any part is considered not acceptable, suspect scrap, for production. Bailed materials unaccounted for by Seller and spoilage in excess of Seller's bid factor shall be bought from Buyer at Buyer's actual replacement cost. Disposition of unused material, by piece and size, must be obtained from Buyer upon job completion. Seller shall complete Buyer furnished inventory forms, MAC 3315, upon completion of the last parts shipment. Buyer will withhold final payment pending receipt of an acceptable Buyer furnished inventory form. Seller shall contact the Buyer's Procurement Agent to obtain an inventory form 30 days prior to the final shipment. Buyer furnished materials are listed by item and the quantity of material required to make one (1) part. The furnished material is: