

"Buyer" = Buyer "Seller" = Vendor, supplier, subcontractor, and/or agents/representatives

Buyer objects in advance to the inclusion of any additional or different terms proposed by *Seller* in acceptance or acknowledgment of purchase order. The inclusion of such terms by the *Seller* will be of no significance. Such terms will not be conditions or additional terms to the purchase order. Unless otherwise stated on the face of the purchase order, the following Quality Text Clauses shall apply. These Quality Text Clauses will vary and will be specifically called out in every purchase order issued to your company. Their specifically assigned QC clause numbers (i.e., QC1, QC2) will reflect them.

QC1 PHYSICAL AND CHEMICAL TEST REPORTS

Seller shall supply one copy of physical and/or chemical test reports for each lot, batch or heat, whichever is applicable. *Seller* shall supply original mill certification with shipment of material specified on the purchase order. The report must show that material/parts delivered are acceptable and be shall be identifiable to the product being delivered. The heat number and material manufacturer must appear on the certification. All metal alloys shall require traceability to the original heat number, and shall comply with the current material specification revision in effect when melted. The heat number and material manufacturer must appear on the certification. Material converters are responsible for maintaining heat lot traceability and are prohibited from welding, brazing, or otherwise joining coils.

QC2 MATERIAL SAMPLE REQUIRED

Seller shall furnish BUYER a material sample cut or molded from the same material as the product supplied. *Buyer* or the material specification shall determine the size of the sample. Material samples supplied shall be cut per applicable instructions on purchase order. The *Buyer's* Receiving Department will deem sufficient cause for rejection and subject to refusal shipments made by the *Seller* without samples. Similarly, if the sample does not pass its material specification tests, the product supplied shall be considered unacceptable and will be returned to the *Seller*.

QC3 TOOL INSPECTION REPORT

A completed copy of a tool inspection report (*Seller* is to use their own if *Buyer's* applicable form is not called out on purchase order) must accompany each item specified on the purchase order.

QC4 QUALITY SYSTEM REQUIREMENTS

Seller shall maintain a documented quality system that complies with the requirements of government and/or industry quality system standards. Specifically, *Seller* shall maintain a documented calibration system in accordance with ISO 17025 and/or ANSI/NCSL Z540-1 and as a minimum, a quality system compatible with the requirements of ISO 9000:(latest revision). *Seller's* quality system is subject to verification and approval at all times by *Buyer's* Quality Assurance Department.

QC5 ORIGINAL EQUIPMENT MANUFACTURER'S STANDARDS

Seller agrees to comply with the quality requirements stated under the current revision of Original Equipment Manufacturer's special quality clauses as noted on purchase order.

QC6 CHANGES

Seller must and shall not make any changes to the processes or materials specified under the purchase order. *Seller* shall notify *Buyer* in writing prior to any proposed changes to supplier controlled design, parts, materials, fabrication methods, or processes, that may affect function, interchangeability or reliability of hardware delivered to *Buyer*; or, of any changes to facility location, ownership or quality management following a quality survey /audit by *Buyer*.

QC7 DFAR

Seller agrees to supply material in compliance with DFARS 252.225-7014. The origin of the material shall be from a qualifying country in accordance with DFAR 225.872-1.

QC8 ITAR

This purchase order may contain, and/or reference documents containing, information subject to the International Traffic in Arms Regulations (ITAR). *Seller* shall not export, release, or disclose this information to foreign nationals without first complying with the export license requirements of the ITAR.

QC9 STATISTICAL PROCESS CONTROL AND SPC DATA

Seller shall implement Statistical Control Procedures when applicable. A detailed Statistical Process Control (SPC) Histogram and/or Control Chart with recorded Cpk must accompany each shipment. The report must include evidence of conformance to all the elements including material and processes. All specified key characteristics must be recorded. The report may be the *Seller's* format, and must list drawing characteristics consistent with customer supplied data. The report must show the part number, revision and P.O. number, run time and verified dimensional Cpk's. BUYER reserves the right to witness the actual inspection or to require spot checks to verify the data.

QC10 BUYER SOURCE INSPECTION

Buyer's source inspection is required. Inspection shall be conducted at the *Seller's* facility and shall be requested and accomplished prior to shipment. When the items on the Purchase Order are ready for inspection, notify the *Buyer's* purchasing representative so that coverage can be arranged. Drawings, specifications and/or other pertinent data, as required by Purchase Order, shall be made available to the *Buyer's* Quality Representative, at the time of material presentation.

QC11 FAA/CUSTOMERS RIGHT OF ENTRY

Seller agrees that its facility, fabrication inspection system, methods and procedures are subject to the Federal Aviation Administration (FAA) surveillance and investigation. All other *Buyer* Customers and regulatory agencies reserve the right of entry into the plant to verify the quality of work, records and materials at any / all production stages, as well as compliance to procedures and specifications.

QC12 FIRST ARTICLE INSPECTION

A detailed first article inspection report is required (AS9102 or equivalent). The report may be the *Seller's* format and must list all drawing characteristics. The report must include evidence of conformance to all elements including material and processes. Each drawing characteristic must be complete with the tolerance in an adjoining column. The measured condition must be recorded. The report must show *Buyer* part number, revision and purchase order number. *Buyer* must be notified in advance when the first article inspection is scheduled and reserves the right to witness the actual inspection or to require spot checks to verify the data. This first article will consist of one piece. This piece must be identified and packaged separately along with the report when shipped with the production parts.

QC13 GOVERNMENT SOURCE INSPECTION REQUIRED

Government inspection is required prior to shipment of this material from your facility. *Seller* is responsible for providing the Government Inspector with verifiable evidence that supplies meet the requirements of the subcontract or purchase order. Upon receipt of this order, promptly notify the Government Representative who normally services your facility so that appropriate planning for Government Inspection can be accomplished. Provide a copy of this order to the Government Representative who normally services your plant or, if none, to the nearest Army, Navy, Air Force, or Defense Supply Agency inspection office. In the event the representative or office cannot be located, notify our Purchasing Department immediately.

QC14 RELATED REGULATORY REQUIREMENTS

The provisions of executive order 11246, as amended by executive order 11375 (Equal Employment Opportunity), 38 USC 4212 (Vietnam Era Veterans Readjustment Assistance Act), and Section 503 of the Rehabilitation Act of 1973 (Handicapped Regulations), implementing regulations found at 41 CFR 60-1 & 2, 41 CFR 60-250 and 41-CFR 60-741 are hereby incorporated by reference.

QC15 SPECIAL PROCESSES

Each special process, including, but not limited to: soldering, cleaning / etching or passivation, welding, brazing, plating / coating, heat treating, magnaforming / swaging, electro polishing, acid pickling, impregnating, bonding, glass sealing, shot peening, silkscreening, magnetic particle / penetrant or X-Ray or N-Ray inspections, when required by either a Government, ASTM, or other process specifications shall be performed by *Buyer's* approved suppliers only. A list of approved special processors will be provided when required and upon request by the *Seller*. Each shipment must include a report or certification of adequate data as to where the processing was accomplished, including name and address of processing source. When required, laboratory testing facilities used to verify compliance to special processing requirements must be duly accredited laboratories in accordance with Public Law 106-34, otherwise known as the Fastener Quality Act (FQA).

QC16 CERTIFICATE OF COMPLIANCE

Seller shall submit with each shipment a Certificate of Compliance stating that the items furnished to *Buyer* are in conformance to the Purchase Order/Drawing requirements applicable to the items delivered. Any recognized aerospace, military and/or industry standard, when imposed by the drawing, specification or Purchase Order must be specifically stated and form a part of the certification. *Seller* shall have on file, and retain for at least 10 years, all material, chemical and physical test reports and C of C's for processes performed by themselves and their sub-tier suppliers and shall make these documentation available for review by *Buyer* Representative upon request. As a minimum, each supplier and/or sub-tier certification must contain the following information: (a) Purchase Order Number (b) Lot Number (c) Quantity Shipped (d) Part Number (e) Name and address of *Buyer* issuing the certification (f) The date of issue, and (g) Signature and title of the *Seller's* authorized representative.

QC17 SHELF LIFE ITEMS

Materials or articles having characteristics subject to degradation with age shall be marked in a manner to indicate the date of manufacture and expiration date in addition to standard identification requirements. Batch numbers and special storage or handling conditions shall be included when applicable. Material Safety Data Sheets (M.S.D.S.) must also be provided where there is a danger to health from material being purchased and when applicable.

QC18 PACKING/PACKAGING/FOREIGN OBJECT DAMAGE (FOD) PREVENTION

Seller must ensure that all items shipped under this Purchase Order are adequately packed and/or packaged to prevent damage, contamination and/or deterioration. Unless otherwise specified on the Purchase Order, *Seller* must use best commercial practices in packaging to prevent damage, contamination and/or deterioration to all items during transit. The contractor shall maintain a FOD control program assuring work is accomplished in a manner preventing foreign objects or material from entering and remaining in deliverable items. Maintenance of the work area and control of tools, parts and material shall preclude the risk of FOD incidents. Prior to closing inaccessible or obscured areas and compartments during assembly the contractor shall inspect for foreign objects/materials. The contractor shall document and investigate all FOD incidents assuring elimination of the root cause.

QC19 MERCURY AND RADIOACTIVE FREE CERTIFICATION

Each shipment is to be accompanied by one legible and reproducible certification of mercury and if necessary radioactive free material. The report must contain the signature and title of the authorized representative of the certifying facility and must conform to the specification requirements. This certification could be furnished as part of the Certificate of Conformance specified in clause QC16 herein or in any other form preferable to the supplier.

QC20 NONCONFORMING MATERIAL CONTROL & LATENT DEFECT NOTIFICATION

If nonconformance's are detected during manufacturing or inspection, the supplier quality assurance personnel shall disposition the nonconformance in one of the following categories: **(a) Rework or completion of operations:** If the nonconformance's are in this category, the articles shall be reworked, resubmitted to normal inspection and/or test operations and must meet all drawing specifications. **(b) Scrap:** If the article is dispositioned in accordance with the supplier procedures for controlling and disposition of scrap material. Replacements, if required, must be accompanied with the required test samples and certifications. **(c) Submit for Buyer preliminary review:** Dispositions outside the above will require *Buyer* preliminary review action. The supplier shall segregate and control the nonconforming material to assure no further work is accomplished on the discrepant item(s) until *Buyer* preliminary review disposition is obtained. The supplier shall request *Buyer* preliminary review action. The material must be held at the supplier facility pending direction from *Buyer*. When *Buyer* preliminary review action is completed, the disposition will be provided to the supplier immediately. **Internal nonconformances in the supplier's daily operations shall be evaluated or their potential to exist in previously produced or delivered hardware. If a potential latent defect is determined, a written notice to Buyer is required within 24 hours of discovery. Any resulting Supplier Corrective Action Requests shall be responded to within 30 days.**

QC21 SCREW THREAD GAUGING SYSTEM REQUIREMENTS

Seller, providing thread forming processes or threaded product, shall comply to requirements specified in the applicable specification. Unless otherwise specified, all threads must comply system 22 requirements per ASME B 1.3 and reference AS8879 , Mil-Std -7742, or FED-STD-H28 guidelines as applicable.

QC22 CUSTOMER SOURCE INSPECTION

CSI is required at your facility. Contact *Buyer's* Quality Assurance at least 72 hours prior to the product being ready for inspection. *Buyer's* Quality Assurance will coordinate the required inspection by *Buyer*, Customer or Regulatory Agency.

QC23 100% INSPECTION

Inspection is required with actual recorded results, for all characteristics on all parts to ensure conformance to drawing and specification requirements. A copy of this inspection record is required with the shipment of product.

QC24 INSPECTION REPORT REQUIRED

Showing documented evidence of inspection and verification of required dimensions on with actual results by your quality department (inspection report should show variance of dimensions measured or results of measurements from an acceptable sampling plan). This shall be included with shipment of product.

QC25 CONTRACT/DRAWING DIRECTED SOURCE/QUALIFIED PRODUCTS LIST

This item/service is to be procured from a listed source.

QC26 ROCKWELL HARDNESS/ELECTRICAL CONDUCTIVITY TEST

Verification as applicable and certify with result per heat treat or other specifications.

QC27 SERIALIZATION

Requirement that all parts have unique serial numbers maintained and/or assigned. Maintain S/N traceability at all stages of manufacturing or processing. Indicate S/N's on all certification, shipping reports and/or other documentation as applicable.

QC28 BUYER FURNISHED DOCUMENTS

All drawings, specifications, Mylar's, or related data is to be returned upon completion of the PO or Contract.

QC29 TECHNICAL OR PROPRIETARY DATA

All data provided to support manufacturing or process of this order is proprietary and shall not be reproduced in whole or part, and shall be returned upon completion of the PO or contract.

QC30 CUSTOMER-FURNISHED PROPERTY

All tooling utilized in this order is Customer-Furnished and shall be returned with final shipment of parts of product.

QC31 SUBCONTRACTING

All of part of the work procured on this PO without written approval of *Buyer* is prohibited. All approved subcontracted operations must meet all provisions of the PO and be certified by the subcontractor. All Buyer's requirements shall also be flowed down to sub-tier suppliers where required

QC32 FLOWDOWN

Boeing's D1-9000A, (superseded by AS/EN 9100:2008) Quality System requirements are hereby imposed.

QC33 FLOWDOWN

Northrop's SQAR Quality System requirements are hereby imposed.

QC34 FLOWDOWN

Lockheed's Attachment "Y" Quality System requirements are hereby imposed.

QC35 WRITE-IN REQUIREMENTS

Any requirements not specified above shall be explained in detail here or in an accompanying document.

QC36 FLOWDOWN

Lockheed's Appendix QR "Quality Requirements Seller Quality Requirements"

- A statement with the words, "Work to be accomplished in performance of this purchase order is directly related to a Lockheed Martin Aeronautics Company PO and must be accomplished in accordance with process specifications on purchase order and Lockheed Martin Aeronautics Company Appendix QJ"
- A requirement to maintain a copy of all purchase orders containing the above statement and make these available for review, upon request.
- A requirement to submit a Certificate of Conformance ("CofC") with a unique certification number containing the following information:
 - a. Title and specification number (including revision letter and process,
 - b. Name and address of the process or NDT facility,
 - c. Lockheed Martin assigned processor number,
 - d. Date the CofC was issued,
 - e. Purchase order part number,
 - f. Quantity of parts (to include quantity accepted/rejected),
 - g. Signature and title of authorized quality agent of seller,
 - h. Fracture durability classification or serialization when required.
- A requirement to ensure parts are suitably wrapped, boxed or racked to guard against shipping damage and apply rust or corrosion protection.

QC37 CAUSE AND CORRECTIVE ACTION

When requested in writing by Quality and/or Purchasing, supplier shall provide proof of correction action, root cause and root cause correction action for any deficiencies deemed supplier responsibility on Corrective Action Request Forms F13-01 or F14-01. Failure to respond in a timely and/or effective manner may result in future on-site review, source inspection at supplier's facility, being placed on purchase order hold status and/or disqualification.

QC38 Prohibition of Segregated Facilities

- (a) "Segregated facilities." As used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employment custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provide to assure privacy between the sexes.
- (b) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregation facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

QC39 Retention of Records

Seller shall maintain, on file at the Seller's facility, Quality records traceable to the conformance of product/part numbers delivered to Coast Aerospace. Seller shall make such records available to regulatory authorities and Coast Aerospace authorized representatives. Seller shall retain such records for a period of not less than (10) ten years from the date of shipment under each applicable Order for all product/part numbers unless otherwise specified on the Order. Seller shall maintain all records related to the current first article inspection (FAI) for (10) ten years past final delivery of the last Product covered by the FAI.

QC40 Supplier Flow down

Seller shall comply with the noted requirements and flow down all applicable sections to its subcontractors

QC41 Lockheed Special Process Sub-Contractor

The subcontractor performing special process work shall have a Quality Management System current and approved by Lockheed Martin. If the Lockheed Martin Purchase Agreement requires processing in accordance with a Lockheed Martin internal specification (EPS, STP, LAC, 5-XXXXX, 0-XXXXX Specifications) the special process approval may be for an equivalent Industry or Government specification. If the Lockheed Martin Purchase Agreement requires processing in accordance with a cancelled Military Specification or Standard, the Lockheed Martin determined Special Processor Approval may be for the replacement industry or Government specification. This special process approval does not authorize deviation to, or take priority over the contractually imposed requirement. The Subtier Contractor must conform to the requirements of the contractually imposed requirements. The Subtier Contractor shall have current required approval(s) in place at the time of hardware processing.

QC42 (CFR) Part 21 Section 21.137 (c) Supplier Control

All supplier and sub-tier suppliers that perform assembly manufacturing or services shall have a defined process for reporting process for products, articles, and services that leave their quality system and does not conform to requirements. It is the Production Approval Holder (PAH) which will determine who has to report and whom they shall report to:

- When a non-conformance issue is identified by a service provider or sub-tier supplier it is to be documented accordingly and reported in a timely manner to the supplier at the next level up. If a nonconformance is due to a material, special process, or Suspected Unapproved Part (SUP) recall that was not active during processing, assembly, or manufacturing it will be directly reported to the PAH regardless of position on the supply chain.
- In the event that a nonconformance is identified by a supplier that holds an approved status on the Coast Aerospace Approved Supplier List, it shall report in a timely manner the nonconformance directly to the PAH.

QC43 Counterfeit Parts

The seller shall plan, implement, and control processes appropriate to their organization for the prevention of counterfeit (or suspect counterfeit part) use and their inclusion into all product. The seller should consider the following in their counterfeit parts prevention effort:

- training and awareness of appropriate personnel
- application of a parts obsolescence monitoring program
- controls for acquiring product provided externally by original or authorized manufacturers, authorized distributors, or other approved sources
- requirements for assuring traceability of product to their original or authorized manufacturers
- verification and test methods of detecting counterfeit parts
- monitoring of counterfeit parts reporting from external sources
- quarantine and reporting of suspected or detected counterfeit parts

QC44 Personnel Contribution and Behavior

The seller shall ensure that personnel are aware of their contribution to product/service conformity, contribution to product safety, and the importance of ethical behavior.