

QUALITY REQUIREMENTS SELLER QUALITY REQUIREMENTS

Notice: A hard copy of this document may not be the document currently in effect. The current version is always the version on the Lockheed Martin network.

- A. Seller shall maintain an International Organization of Standards ("ISO"), Aerospace Standard ("AS") or Military Standard equivalent quality system acceptable to Buyer for the Items (including "items" and "Work" as such terms may be used in this PO's definitions) covered herein. Widely recognized Government or Industry Quality System standards should be used as guidelines. Upon Buyer's request therefor, Seller shall provide to Buyer documentation that describes Seller's System.
- B. Seller shall provide and obtain for Buyer, Buyer's Customers, and appropriate regulatory agencies access to any and all facilities, including those facilities of Seller's subcontractors, where work on Items is being performed or is scheduled to be performed under this Purchase Order ("PO"). Buyer shall have right to perform in-process inspection, audits, and system surveillance at Seller and Seller's subcontractors' facilities as part of verification of conformance to the requirements of this PO.

Work under this PO is subject to Buyer's periodic audit of Seller's compliance with Seller's internal procedures and other documents applicable to this PO. Seller shall provide, at no cost to Buyer, Government or appropriate regulatory agencies, suitable facilities at Seller and Seller's subcontractors' manufacturing locations for Buyer, Government, and regulatory agency representatives to perform compliance verification. Seller shall include the provisions of this paragraph B in each purchase order, if any, with each of its subcontractors where work is being performed or is scheduled to be performed in connection with this PO, and shall require that this paragraph B is inserted in all subcontracts at every tier.

Seller shall maintain complete records of all manufacturing, inspecting and testing in connection with the Items. At Buyer's election, such records shall be made available to the Buyer, Buyer's Customers and/or appropriate regulatory agencies during the performance of this PO and for at least

three(3) years after completion of this PO or for such longer periods, if any, as may be specified elsewhere in this PO. Upon Buyer's request therefor, Seller shall forward such records to Buyer at no cost to Buyer.

Control and Processing Nonconforming Material and Corrective Action

- C. Seller shall implement and maintain a system, which provides for identification, documentation, segregation and disposition of nonconforming material and shall ensure effective, positive corrective action is taken (including repetitive nonconformances dispositioned "Use As Is" by Buyer's or Seller's material review board ["MRB"] actions) to prevent, minimize, or eliminate nonconformances. Seller's system shall ensure that non-conforming material is not used for production purposes.

Seller shall maintain records of all nonconforming material, dispositions, assignable causes, corrective actions, and effectiveness of corrective actions for the period specified in this PO.

Seller shall evaluate each nonconformance for its potential to exist in previously produced or delivered Items. If a nonconformance exists, Seller shall notify Buyer, in writing, within 24 hours for issues impacting flight safety, and, in writing, within 5 working days for all other issues.

Buyer shall forward requests for corrective action, if any, to Seller when unsatisfactory performance by Seller and/or any of its subcontractors is detected by Buyer. Seller shall respond to all Buyer requests for corrective action. When requested by Buyer, Seller shall provide trend data and findings for Buyer returned Items.

Seller shall assess all Buyer identified nonconformances and take the appropriate actions to ensure causes of nonconformance are corrected. If Seller is unable to verify or duplicate the nonconformance or refuses responsibility for the nonconformance, Seller shall notify Buyer in accordance with the instructions at:

<http://www.lockheedmartin.com/material-management>

- Select "Quality Requirements"
- Select "Corrective Action"
- Select "SCAR Form" to view and print the form

If Seller does not respond by Seller Confirmation Action Request ("SCAR") within 30 days of receipt by Seller of the nonconforming Item, Seller shall be deemed to have accepted responsibility for the identified nonconformance.

D. **Material Review Authority**

Material Review Authority (MRA) for Seller-Designed Items

Seller has Material Review Authority, except for nonconformances, which affect a parameter controlled by Buyer drawing or specification, which affect form, fit, function, interchangeability or reliability. Seller shall submit dispositions of nonconforming Items, if any, regarding any such parameter(s) to Buyer for approval.

MRA for Buyer-Designed Items

Seller dispositions are limited to scrapping of Items, eliminating the nonconformance by rework to engineering, or returning to vendor. On Items of Buyer design, Seller shall document nonconforming Items for submittal to Buyer's MRB for dispositions as required by this PO. Seller's continued processing, prior to Buyer's MRB disposition, of any Buyer-designed Items containing a nonconformance prior to Buyer's MRB disposition will be at Seller's risk.

Additional MRA Requirements for Buyer-Designed Items

If seller has written delegated MRA, on Buyer-designed Items, Seller shall exercise such MRA except for nonconformances of a parameter that affects form, fit, function, interchangeability or reliability.

Material Review Board Submittals

All submittals for Buyer MRB disposition of Seller or Buyer-designed Items or requests for MRA shall be submitted in accordance with Buyer instructions, located on Buyer's Internet home page, <http://www.lockheedmartin.com/material-management>

- Select "Quality Requirements"
- Select "Corrective Action"

Seller shall not incorporate any nonconforming Items into any product, process, procedure or data that affects a parameter controlled by Buyer drawing or specification or has an effect on form, fit, function, interchangeability or reliability unless and until Seller has received prior written approval from Buyer.

Buyer and Buyer's customers shall each have the right to refuse to accept any nonconformances. When Government source inspection is a requirement of this PO, and Buyers customer has delegated MRA to Sellers cognizant Government source representatives, Seller shall submit material review dispositions to Seller's local Government representative for concurrence.

Use or Performance of Quality Control Specification (QCS)-001

E. General Requirements

QCS-001 is used to identify both the process sources and the processes that require Buyer approval, prior to use for Items delivered to Buyer. A controlled process is an operation performed on an Item where the operation is not readily inspectable subsequent to its conclusion. Controlled processes have verifiable controls inherent to the process i.e. heat treat, plating, nondestructive testing, etc.

The controlled processes listed in QCS-001 are not applicable to standard hardware (nuts, bolts, washers, etc.) that is ordered to military, federal or industry specifications or standards (e.g., MS, AN, NAS, etc.) or to metallic raw material (plate, sheet, bar, extrusion, etc.) that is purchased from a mill.

The list of both Buyer-controlled processes and Buyer-approved sources can be found on Buyer's Internet Home Page at: <http://www.lockheedmartin.com/material-management>

- Select "Quality Requirements"
- Select "Supplier Quality Management System"
- Select "Supplier Quality Management" link to view:
 1. Specification Index
 2. Inquire by Processor (Vendor) Name, Process code or Name of Process

Seller shall identify in writing to Buyer, the personnel holding Level II and Level III certification for performing the following nondestructive test methods. (**Note:** Seller must retain a copy of this list for Seller's internal records):

1. Radiography
2. Penetrant
3. Magnetic Particle
4. Ultrasonic

Seller shall notify Buyer of changes to the Level II or Level III personnel identified to perform the nondestructive test methods identified above within 48 hours of such changes being made.

Buyer shall notify Seller if an on-site review of Seller's Level II or Level III personnel is required. Buyer shall provide Seller instructions for delivery of items prior to completion of Buyer's on-site review.

A process approval for a given process will include all variants of the process unless otherwise noted in the limitation of the QCS-001 listing.

Seller shall use Buyer-approved sources for Buyer-controlled processes. Additional requirements for Seller-designed Items are listed in paragraph F.

Buyer approval, if any, of Seller or a QCS-001 source to perform a QCS-001 process is limited to that process specification and does not imply approval for any other process specifications embedded therein.

Note: Where Buyer's approval is a requirement within a process specification, approval will be controlled by Buyer. (Examples: Penetrant demonstration programs, heat-treat re-qualification programs, etc.)

Seller shall review the list of Buyer-approved process sources, prior to using a process source for a controlled process listed in QCS-001, and select process sources that are approved by Buyer.

Seller's utilization of Buyer-approved sources does not relieve Seller from the obligations to ensure subcontracted sources are in full compliance with applicable process specifications and to deliver conforming Items. Seller shall provide objective evidence of such compliance to Buyer upon request.

Seller shall be responsible for ensuring that Seller or QCS-001 sources have the appropriate revision level of the process standards/specifications prior to performing work in connection with the Items.

Seller shall maintain objective evidence that each Buyer-approved process source, selected by Seller, is being monitored to assure compliance with all applicable process specifications. Seller shall provide objective evidence of such compliance to Buyer upon request.

Seller shall ensure process controls are established and required process control tests are accomplished at required intervals to ensure continued compliance to process specifications. Records of all process control tests, e.g. monthly or by lot, and inspection of processed items performed by a QCS-001 Source shall be made available and maintained for at least seven (7) years after completion of this PO.

Seller shall ensure all purchase orders to Buyer-approved process sources contain:

- A) 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 specification on purchase order and Lockheed Martin Aeronautics Company Appendix QJ."
- B) A requirement to file and maintain a copy of all purchase orders containing the above statement and make these available for review, upon request.
- C) A requirement to submit a Certificate of Conformance ("C of C") with a unique certification number containing the following information:

1. title and specification number (including revision letter) of the process;
 2. name and address of the process or NDT facility;
 3. Lockheed Martin assigned processor number;
 4. date the C of C was issued;
 5. purchase order part number;
 6. quantity of parts (to include quantity accepted/rejected);
 7. signature and title of authorized quality agent of seller; and
 8. fracture durability classification or serialization when required.
- D) A requirement to ensure parts are suitably wrapped, boxed or racked to guard against shipping damage and apply rust or corrosion protection.

Seller shall review testing lab C of C to ensure all required testing has been accomplished and meets all requirements of the testing specification.

Seller shall maintain activity data on each Buyer-approved process source utilized by Seller, if any, compile an annual report, and submit to Buyer by 1 November, each year. The report shall contain the following information:

1. QCS-001 source name;
2. Buyer's assigned QCS-001 source number;
3. process specification used by specification number; and
4. annual frequency of use.

The report shall be mailed to the following address:

Lockheed Martin Aeronautics Company
Attention: Process Audit Group
P.O. Box 748
Mail Zone 5809 (PQA)
Fort Worth, Texas 76101

Seller shall submit all requests for additional QCS-001 process approvals in writing to the Buyer.

F. **Additional QCS-001 Requirements for Seller-Designed items**

For Seller-designed Items:

1. Seller has the responsibility and authority to approve and control its own processing sources, including in-house processes.
2. Seller shall ensure that the assignment of personnel is commensurate with their level of experience, training and proficiency.
3. Buyer shall have the right to review and maintain surveillance of Seller's system for approval and control of Buyer-approved processes, including those performed in-house. If Buyer determines Seller's system has failed to control processing or testing, Buyer shall have the right to withdraw Seller's authority to approve and control Buyer-approved processes listed in QCS-001. In the event of withdrawal of such authority, Buyer shall have the right to direct Seller, at no increase in cost to Buyer, to use Buyer-approved sources listed in QCS-001.

Calibration

- G. Seller shall maintain a calibration system that is compliant with the requirements in ISO 9001, ISO 10012-1, MIL-STD 45662A, or ANSI 2540.

Product Certifications and Acceptance

- H. Seller shall prepare a C of C statement that Items provided under this PO meet all applicable requirements. This C of C shall be included with Seller's shipping document to Buyer.

NOTE: Seller's completion of the Procured Material Report (PMR) in PM 5010 will support this requirement.

- I. When Buyer's Customer requires source inspection, Seller shall obtain objective evidence of Buyer's Customer

representative's inspection by signature and title or by stamp on any shipping documents required by this PO.

Changes to Seller's Operations

- J. Seller shall notify Buyer, in writing, of any change in status of its quality system as a result of any Government or regulatory agency action.

Seller shall also notify Buyer, in writing, upon any relocation or transfer of manufacturing operations, or change in any organization or procedure that could impact Item quality.

Selection and Control of Seller's Sub-tier Sources

- K. Seller's quality system shall include procedures for determining the capability of sub-tier suppliers, prior to issuance of Seller's PO.

When the Seller performs a Quality System Survey or Evaluation for a sub-tier supplier facility, the results of each survey or evaluation shall be documented.

Seller is responsible for ensuring all materials, services and components it procures for incorporation into the Items conform to all requirements of this PO.

Seller shall define and establish a program for determining the need for periodic re-audit or re-evaluation of Seller's sub-tier suppliers.

Prior to production and award of subcontracts, Seller shall institute a program that will ensure control of the quality of all Items procured by Seller in support of this PO.

Seller shall include the applicable portions of this PO in each of its purchase orders, if any, with each of its subcontractors where work is being performed or is scheduled to be performed in connection with this PO and require that, where applicable, such portions are inserted in all subcontracts at every tier.