



SUPPLIER QUALITY REQUIREMENTS

SQR01 SOURCE INSPECTION:

- When specified on individual Purchase Orders, KARMAN LA DIVISION Source Inspection shall be performed at supplier's facility prior to shipment to KARMAN LA DIVISION, and at required process operations, as directed by KARMAN LA DIVISION. KARMAN LA DIVISION reserves the right to inspect any and/or all work on this Purchase Order at the supplier's facility. The supplier will be notified in advance of shipping date if KARMAN LA DIVISION source inspection is required.

SQR02 CUSTOMER - GOVERNMENT SOURCE INSPECTION SURVEILLANCE and ACCESS:

- Government agencies of the United States of America and primary customer of KARMAN LA DIVISION have the right to inspect any or all of the work included in the Purchase Order at the supplier's facility. Government inspection is required prior to shipment from the supplier's facility. 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. The Government has the right to inspect any or all of the work included in the Purchase Order at the supplier's facility. Work under this purchase order/contract is subject to government or customer surveillance/inspection at organization's plant or sub-tier supplier's facility. The organization will be notified if a surveillance/inspection is to be conducted.

SQR03 PRODUCT ASSURANCE SYSTEM REQUIREMENTS and PRODUCT SAFETY:

- The supplier shall have Product Assurance system and procedures detailing the following minimum requirements:
 1. Safety
 2. Training / Certification
 3. Record retention.
 4. Traceability
 5. Procurement control
 6. Manufacturing, fabrication, process control
 7. Metrology control
 8. Stamp control.
 9. Non-conforming product control
- The supplier's product assurance system is subject to initial survey and approval by KARMAN LA DIVISION and its Customer. Subsequent surveys or audits, including Sub tier supplier and processors may be conducted before or after issuance of a Purchase Order. The supplier shall be notified of deficiencies and shall follow-up and ensure that deficiencies are promptly corrected. Corrective actions will be subject to review and approval by KARMAN LA DIVISIONs SQMS.
- External providers will plan, implement, and control the processes needed for product safety during the entire product life cycle as appropriate, including the applicable statutory and regulatory laws and standards of the United States of America and applicable standards by the State of California including:
 1. Assessments and hazards and associated management risks.
 2. Management of safety critical items.
 3. Reporting of occurred events.
 4. CAL and FED OSHA compliant safety program.



SQR04 SQUALITY PROGRAM REQUIREMENTS:

- The seller shall have developed and maintain a Quality program in accordance with the current AS 9100 standard and or NADCAP as required by contract.

SQR05 SUPPLIER NON-CONFORMING PRODUCT:

- Any deviation to KARMAN LA DIVISION's requirements set forth in this Purchase Order shall be documented and submitted to KARMAN LA DIVISION for disposition prior to product shipment from supplier's facility. Supplier may be liable for any and all costs of non-conforming product including the costs of reporting and documenting the nonconformance, any costs of NCR rework, as well as the costs and repairs up to the replacement of the non-conforming part including the cost of the raw materials.

SQR06 CHEMICAL TEST REPORTS:

- Materials furnished in fulfillment of this order must be accompanied by one (1) reproducible copy of the Certified test reports of the chemical properties of the material.

SQR07 PHYSICAL TEST REPORTS:

- Materials furnished in fulfillment of this order must be accompanied by one (1) reproducible copy of certified test reports of the physical properties of the material.

SQR08 CERTIFICATION OF COMPLIANCE:

- The seller shall include with each shipment legible copies of a certifying statement that attests to the seller's compliance with all the requirements of the Purchase Order. The certificate shall be signed by an authorized representative of the supplier.

SQR09 RIGHT OF ENTRY / CUSTOMER ACCESS:

- Access to your facility (documents, personnel, equipment, material, and facilities) shall be made available to KARMAN LA DIVISION Fabricating Corporation, its customers and regulatory agencies, to determine and verify the quality of the work, records, and material.

SQR10 SUBCONTRACTING WORK:

- Seller is prohibited from subcontracting any portion of the work to be performed as specified in this Purchase Order, unless authorized by the buyer in writing.

SQR11 CONTROL OF RECORDS:

- Seller shall maintain records of manufacturing and traceability of materials used in the fabrication of the product produced in fulfillment of this Purchase Order. The records shall be maintained for a period for 7 years after completion of the Purchase Order and be made available for review to the buyer upon request.

SQR12 SERIALIZATION:

- Each item furnished on this Purchase Order will be identified with a non-recurring serial number. Where the size of the item prohibits identification, the serial number will be marked on an identification tag or label and be securely attached to each item.



SQR13 Digital Product Definition (DPD) and CONTROL:

- Seller is required to obtain Buyer approval as a DPD-capable supplier if Seller receives, downloads, and/or uses Computer Aided Design (CAD) geometry in any format KARMAN LA DIVISION furnished digital datasets are reference only (not design or inspection authority) until DPD approval status is obtained External Providers performing work using digital product definitions or model-based definitions from KARMAN LA DIVISION must be specifically approved for such work by KARMAN LA DIVISION. The External Provider agrees, upon termination, cancellation, expiration, or other conclusion of purchase order contract, within 30 days to return to KARMAN LA DIVISION and/or destroy (whether digital or hardcopy) of any DPD/MBD data provided that is in the Vendor's possession. Any use of data (drawings or datasets) listed in this contract outside the requested duty is strictly prohibited. External Providers performing work using digital product definitions or model-based definitions from KARMAN LA DIVISION must be specifically approved for such work by KARMAN LA DIVISION Fabrication Corporation. The External Provider agrees, upon termination, cancellation, expiration, or other conclusion of purchase order contract, within 30 days to return to KARMAN LA DIVISION and/or destroy (whether digital or hardcopy) of any DPD/MBD data provided that is in the Vendor's possession. Any use of data (drawings or datasets) listed in this contract outside the requested duty is strictly prohibited.

SQR14 Supplier Inspection Reporting Requirements:

- Supplier shall submit with each shipment / delivery of Purchase Order items one copy of an Inspection report. Reflecting 100 percent inspection verification of all drawing characteristics and specify the corresponding actual measurement results. Inspection reports will include. Purchase Order number, detail or assembly number as indicated per purchase order. Inspection reports shall include signature and/or stamp of person within your organization performing inspection process.

SQR15 Bond Control of KARMAN LA DIVISION property or material:

- Supplier shall have a designated area with BOND/ MRB that shall retain KARMAN LA DIVISION product/ properties or materials.

SQR16 Material Traceability:

- Supplier shall maintain material traceability of all materials used (INCLUDING KARMAN LA DIVISION FURNISHED MATERIAL) throughout process and delivery.
- Documents related to all processing shall reference heat lot and material purchase order numbers as applicable throughout all processes on process (Shop Traveler) and Certificate of conformance.

SQR17 FOD – Foreign Object Detection:

- Supplier shall insure the following is applied: A Foreign Object (FO) is defined as a substance, debris or article alien to hardware or system which could potentially cause damage. The object may be foreign to an area or system and may be ingested by or lodged in a mechanism.
- Foreign Object Damage (FOD) is defined as any damage attributed to a FO that can be expressed in physical or economic terms, which may or may not degrade the product's required safety and/or performance characteristics. Control of this process is required.



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MATERIAL CERTIFICATION / COUNTERFEIT PARTS / MATERIAL PREVENTION & DEFINITION:

- Seller shall establish and maintain a Counterfeit Parts / Material Prevention and Control Plan using AS-5553 (Ref. elements of Section 4) and/or AS6174 (Ref. elements of Section 3) to ensure that Counterfeit Work is not delivered to Buyer. For purposes of this clause, Work consists of those commodities delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, standard hardware, goods, raw materials and assemblies).
- Seller shall only purchase products to be delivered to KARMAN LA DIVISION directly from the Original component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), OCM/OEM authorized distributor chain, Aftermarket Manufacturer, or Authorized Reseller. These products shall have verification that Work is traceable to OCM/OEM. Each shipment shall be accompanied by complete physical and chemical test data that meet the requirements of the applicable specifications and/or engineering drawings and identifies the material provider and the original lot or batch number. Serial numbers shall be identified if applicable.
- Seller shall notify the Buyer with the pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work. Seller shall provide to the Buyer, upon request, the supply chain traceability to an Original Manufacturer or authorized distributor chain that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product for the Seller.
- Seller shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished to KARMAN LA DIVISION.
- Counterfeit material is defined as follows: Fraudulent material that has been confirmed to be a copy, imitation, or substitute that has been represented, identified or marked as genuine; altered by a source without legal right to make the alteration with the intent to mislead, deceive, or defraud; or both.
- Counterfeit part is defined as follows:
 - a) An unauthorized copy or substitute part that has been identified, marked, and/or altered by a source other than the part's legally authorized source and has been misrepresented to be from a legally authorized source.
 - b) An item misrepresented to be an authorized item of the legally authorized source.
 - c) A new, used, outdated, or expired item from a legally authorized source that is misrepresented by any source to the end-user as meeting the performance requirements for the intended use.
- Counterfeit work is defined as follows: Work that is or contains items misrepresented as having been designed and/or produced under an approved system or an acceptable method. The term also includes approved work that has reached a design life limit or has been damaged beyond possible repair but is altered and misrepresented as acceptable. Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies).

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Counterfeit Avoidance:

- All (mechanical) parts and materials shall be procured only through Original Equipment Manufacturers (OEMs) Original Component Manufacturers (OCMs) or their franchised dealer or distributors unless pre-approval has been granted by KARMAN LA DIVISION. The supplier shall employ validation methods which assure parts and materials provided are not counterfeit including customer furnished material which will be traced back to original Raw Material Mill supplier. Supplier shall flow this requirement down to all sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials.



SQR20 Each Use Condition Check:

- All Government and Customer-owned tooling requires each use condition check prior to each usage. Tool shall only be used for the specific purpose for which it was intended. Users shall, in their areas of responsibility, ensure that the tool functions correctly and is properly maintained.

SQR21 Special Process Approval:

- Special process suppliers are responsible for compliance to the applicable specifications, including customer and applicable NADCAP, AS 9100 or any other applicable special process approvals.
1. Required Special Process Approval - Processor shall have current required approval(s) of customers and applicable third parties in place at the time of processing. Special Processor Approval by an on-site survey by KARMAN LA DIVISION or acceptance of third-party accreditation. This approval is contingent upon the procedural requirement for an on-site survey to an adequate process specific Questionnaire and specific customer approvals for special processing.
 - a) The subcontractor performing special process work shall have an AS 9003 Quality Management System as a minimum, current and approved by at the time of processing.
 - b) The Special Process Approval may be for an equivalent Industry or Government specification. If the Purchase Agreement requires processing in accordance with a cancelled Military Specification or Standard, the determined Special Processor Approval may be for the replacement Industry or Government specification.
 - c) Approval type must be per approved process. If the approved process is not a part of the scope of approved processes by KARMAN LA DIVISION, the process cannot be used until such approval is granted.

SQR22 Special Process Certifications:

- Special Process Certification Process - Special process certification process includes a method controlled by a contractually required specification where product undergoes a physical, chemical, or metallurgical transformation or inspection or where conformance to the specification cannot be readily verified by normal inspection methods and the Quality of the product depends on use of specific equipment operated in a specific manner, under controlled conditions.
- Subcontractor shall have trained personnel with certifications, instructions, procedures, or standards. Special Process Certification Requirements - A special process certification shall be provided with each shipment of item(s) delivered on this contract. Process certifications may be in supplier format and shall include the following: Customer's order number part number(s) Serial and/or lot numbers, of the hardware processed (if applicable,).
- Certifications shall conform to all aspects of the KARMAN LA DIVISION purchase order and where applicable a Statement of Work (SOW) and the results must be recorded on the certification (pass/fail). Material process specification & revisions.
- Certification stating the special process was performed per the applicable drawing/specification requirements and processing Organization #s name and address.
 - a) Each certification must be signed and dated by a company official of the Organization and/or Processor attesting to the acceptance of the processes performed to the required specification(s).



SQR23 Chain of Custody:

- Suppliers shall not disguise the pedigree of material or chain of ownership by removal of a previous supplier's name, nomenclature, or identification. There must be a clear chain of custody (Sold to – Sold From) on each step and each form documenting the material process. Raw Material certifications shall show clear traceability to the manufacturer(s) of the raw material including.
 1. Ingot Source
 2. Thermal Mechanical processing (forging, rolling, drawing)
 3. Heat Treatment
 4. Chemical processing
 5. Subsequent inspections that are applicable to raw material specification requirements.
 6. Final destination of raw material

SQR24 Trade Control Compliance:

- Suppliers shall comply with all export and import laws, regulations, decrees, orders and policies of the United States Government and the Government of any country in which the parties conduct business pursuant to this contract, including but not limited to the Export Administrative Regulations (EAR) of the U. S. Department of Commerce, the International Traffic in Arms Regulations (ITAR) of the U. S. Department of State, the U. S. Customs and Border Protection Regulations the Harmonized Tariff Schedule and the antiboycott and embargo regulations as set for the in the EAR and in the U. S Department of the Treasury, Office of Foreign Assets Control. Drawings/ Models/ Data that are transferred via e-mails or any other type of data transfer are confidential and contain information proprietary to KARMAN LA DIVISION fabricating Corp. that may be covered by legal, professional or other privilege.
- Further, the information listed herein may contain or be controlled by the International Traffic in Arms Regulations (ITAR), 22 CFR 120-130, and may not be exported, or disclosed to a foreign person, whether in the United States or abroad, without prior U.S. Government written approval.
- Recipient may use such information only in the context of the terms of the existing agreements in effect between both parties within the Purchase order contract.

SQR25 Notice of Escapement (NOE):

- Notice of Escape (NOE) - If Supplier suspects (or is aware) that an undocumented / unapproved customer nonconformance has been shipped to Purchaser, Supplier must notify KARMAN (KARMAN LA DIVISION) purchasing of the condition in writing within three (3) business days of the discovery.
- Supplier must promptly notify Purchaser if Supplier becomes aware or reasonably suspects that any Product is, or contains a component that is, subject to a recall notice, warning alert, Government-Industry Data Exchange Program (GIDEP) Alert, or any other type of notification or concern regarding Product authenticity, Quality, safety, process integrity, or specification compliance. If the nonconformance affects safety of flight or is mission critical; Seller shall immediately provide the NoE Submittal and all required information within Buyer's Supplier Quality supplier data system within 24 hours of discovery.



SQR26 DFARS Materials:

- KARMAN LA DIVISION requires the prevention of the use of conflict materials from specific countries and has taken steps to refrain from purchasing from any known conflict sources, in which we expect that our suppliers adhere to the same standards and source materials only from socially responsible suppliers. DFARS Specialty Metal Clause 252.225-7014 Alt. 1 requirements are applicable to this purchase order. The Buy American Act of 1933, which requires KARMAN LA DIVISION to purchase “domestic end products” and use “domestic construction materials on covered above certain monetary thresholds (typically \$10,000) performed in the United States. Ref: DFAR 252.225.
- All material must meet the requirements of DFAR 252.225-7007, -7008, -7009, -7010, regarding Specialty Metal. 252.225-7007 – Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies. 252.225-7008 – Restriction on Acquisition of Specialty Metals. 252.225-7009 – Restriction on Acquisition of Certain Articles Containing Specialty Metals 252.225-7010 – Commercial Derivative Military Article – Specialty Metals Compliance Certificate. DFAR regulations can be accessed at the following website: <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>

SQR27 Domestic Material Only:

- This contract requires Domestic Materials Only. Only items melted and manufactured within the United States are permitted.

SQR28 KARMAN LA DIVISION FAI REQUIRED:

- KARMAN LA DIVISION FIRST ARTICLE INSPECTION (FAI) – DELIVERABLE KARMAN First Article Inspection (FAI) is required. Seller shall perform First Article Inspections (FAI) in accordance with AS/EN/SJAC 9102, prior to production run and receive approval from the seller. (KARMAN) prior to production start – FAI is an Aerospace First Article Inspection Requirement. Seller shall notify Buyer’s Supplier Quality Representative for the coordination and planning of the FAI, prior to start of related procurement, manufacturing, and/or processing – production start of the purchase order cannot begin without seller approval (KARMAN). 48-hour notice shall be given to seller (KARMAN) to coordinate first article inspection. Production cannot commence prior to seller (KARMAN) approval by authorized quality personnel.