

 <p>Continental Machining Company, Inc. Albuquerque, New Mexico</p>	<p align="center">QMS LEVEL III STANDARD</p>	<p>Effective: 08/18/2022</p>	<p>Number: CMCST-07-01</p>
<p>Title: Supplier Quality Provisions</p>		<p>Revision: F</p>	
<p>Management Approval: Jason Romero</p>			<p>Page 1 of 10</p>

1 Purpose

Continental Machining Company (CMC) Supplier Quality Provisions (SQP), define each clause and its applicability in the fabrication, assembly and purchase of all components, assemblies, sub-assemblies, tool fixtures, jigs, and equipment delivered to CMC. SQP's are specified in CMC Purchase Orders. This Standard also contains "Approved Vendor" requirements (***highlighted in Bold Italic***).

2 Scope

This Standard applies to all Continental Machining Company Suppliers who provide a product or service that affects CMC Customer product quality.

3 Requirements

Supplier's AQMS (Approved Quality Management System) - CMC reserves the right to provide CMC-identified quality system findings, associated quality system data, and quality performance data to the supplier's Management. ***Suppliers that have an AS9100 certification, NADCAP or National Accreditation will not require an On Site Audit but could be required to complete a Survey or Questionnaire every 24 months if the supplier has had any quality nonconformances. Suppliers that do not have an AQMS could be evaluated every 12 months if the supplier has had any quality nonconformances.***

Note: AS9100 contains ISO9001 requirements

Note: All documentation shall be in English

Note: Suppliers doing business with Continental Machining Company prior to January 1, 2009 are considered approved. Follow up evaluations will be conducted every 12 to 24 months if needed to validate the Suppliers continuing efforts to meet CMC requirements.

Requirements of this Standard shall be followed in the fabricating of all detail parts, sub-assemblies, assemblies, standard parts and tooling involved in the manufacturing of all CMC Customer products. Compliance with Purchase Order (PO) requirements, which include SQP's, is subject to CMC and/or Regulatory Authority on-site verifications. CMC, CMC's Customers and any Regulatory Authority shall have a right of access to all facilities involved in the order, and to all applicable records. Primary CMC suppliers who use sub-tier suppliers to manufacture CMC customer product, shall be responsible for flowing down the Supplier Quality Provision requirements to the sub-tier supplier. CMC suppliers are also

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responsible for obtaining and submitting all sub-tier quality records to CMC when the product is delivered to CMC.

Supplier Evaluation and Approval

The Supplier will be asked to provide all or part of the following objective evidence as part of the CMC Vendor Approval process:

- ***Copy(s) of applicable quality certificate(s), e.g., AS9100, NADCAP accreditations***
- ***Completed CMC Survey or Questionnaire***
- ***List of Qualified Sub-tier Suppliers***
- ***Quality System Manual***
- ***Original Equipment Manufacturer, OEM approved, OEM recommended***

Additional approval evaluations are considered and could consist of one or more of the following:

- ***On-site audit of the Suppliers Quality Management System***
- ***CMC Customer directed***
- ***Temporary approval for emergencies***

CMC Quality will evaluate the supplier's documentation (if available) for adequacy. After evaluation, CMC may elect to perform an on-site audit of the quality system and the products. If the suppliers are ISO/AS/NADCAP certified, CMC reserves the right to approve the Supplier without an on site assessment.

CMC Quality will re-evaluate the performance of suppliers. The frequency of re-evaluation will be 2 years or less, or depending on the supplier's performance and the impact of the product or service delivered. The Key Performance Indicators are Quality and On Time delivery.

Suppliers that do not meet CMC requirements could be required to complete a Corrective Action Request issued by CMC.

Material Review Board (MRB) authority is considered **not** delegated to suppliers. All Supplier non-conformances shall be promptly reported to CMC. Include all nonconformances and those generated against raw material and any supplier/sub-tier parts that may be part of the final part assembly or installation.

Notification of Defective Delivered Product(s):

CMC requires written notification of any nonconformance's that may be discovered affecting previously delivered product.

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Handling, Storage, Packaging and Delivery

- **Handling** - The supplier shall provide methods of handling product that prevent damage or deterioration.
- **Storage** - The supplier shall use designated storage areas or stock rooms to prevent damage or deterioration of product, pending use or delivery.
- **Packaging** – Parts will be packed in accordance with good industry standards to prevent damage in transit. Special packaging instructions may be required in addition to this provision.
- **Preservation** - The supplier shall apply appropriate methods for preservation and segregation of product when the product is under the supplier's control.
- **Delivery** - The supplier shall arrange for the protection of the quality of product after final inspection and test. Where contractually specified, this protection shall be extended to include delivery to destination.

Tools, Jigs and Fixtures – CMC owned tools, jigs and check fixtures must be protected against damage. Tooling must be adequately stored to avoid damage and/or loss.

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SUPPLIER QUALITY PROVISIONS

SQP 1) No Material Substitutions – Substitutions are not authorized without written CMC approval. If any of the following deviate in any way from what is specified on the purchase order, it is considered a substitution and needs prior authorization from CMC;

- Brand/Manufacturer
- Part number
- Configuration of product
- Material type, including physical and chemical properties
- Country of origin (DFAR/Domestic materials)

SQP 2) Hardware – Product delivered by the Supplier shall include the following documentation, all documentation shall be legible;

- C of C from the supplier/distributor showing;
 - Description of item(s)
 - Part number(s)
 - Quantity
 - Traceability to the manufacturers certification by Heat/Lot number
 - Applicable specifications.
 - Signed by the authorized representative
- Manufacturers Certification showing;
 - Description of product
 - Part number
 - Heat/Lot number
 - Quantity
 - Applicable specification(s)
 - Additional certifications for Heat Treating, Plating, Passivation, Testing, Etc.
 - Signed by the authorized representative.

SQP 3) Material Certification – Suppliers shall supply CMC with all mill certifications, which contain the actual and complete values for chemical and mechanical test data that meet the acceptance requirements of the applicable material specification and/or engineering drawing.

Suppliers of plastics shall provide certifications from the manufacturer of the raw materials in addition to their supplier C of C. The suppliers C of C shall show traceability to the manufacturers certification by lot/batch number.

Raw material, forgings, or extrusions defined by CMC Material Specifications must be compliant to the quality requirements defined in Customer and/or CMC drawings.

Certifications shall contain the following minimum information;

- Material Type
- Material size
- Country of Origin
- Compliance to applicable specifications
- Results of Mechanical and Chemical analysis when required
- DFARS/Domestic compliance when required
- Signed by the suppliers authorized representative

Note: Raw material from KOBE STEEL is PROHIBITED.

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Raw material substitutions are not authorized without written approval from CMC.

SQP 4) Part marking requirements – The Supplier will be responsible for Part Marking. The Part Marking Requirement will be noted on the CMC Purchase Order including the Specification as noted on the Customer Engineering Drawing. It is the responsibility of the Supplier to contact CMC if the Part Marking requirements are not clearly understood.

SQP 5) Certificate of Conformance (C of C)

The supplier is required to submit a Certificate of Conformance indicating compliance to all CMC Purchase Order requirements. The “C of C” ***must*** be signed by the Suppliers authorized representative.

As a minimum the C of C shall include:

- Name of Supplier
- C of C Date
- CMC Purchase Order (PO) number
- Part Number and Revision
- Quantity Shipped
- Traceability Data should include the following as required: Certificate Number, Purchase Order Number, Sales Order Number, Heat Code, Batch Code, or Lot Code
- Include any process specifications called out on the CMC Purchase Order

SQP 6) Inspection and Test requirements- The supplier shall establish and maintain documented procedures for inspection and test activities that verify product compliance with latest engineering requirements, drawings and specifications. The supplier shall comply with the following requirements:

- Inspect the product to ensure that it conforms to the purchase order or contract, drawing, and specifications of CMC parts and assemblies.
- Perform final inspections and verify that all inspections and tests have been completed.
- Establish and maintain a documented process for identification of inspection and test status.
- The inspection and test status of a product shall be identified by suitable means, which indicate the conformance or nonconformance of a product with regard to the inspection and tests performed.
- **Sampling plans** must be in compliance with industry standards. Sampling of Nondestructive Inspection (e.g. Eddy Current, Radiographic, Magnetic Particle, Ultrasonic, and Fluorescent Penetrant) is not allowed. Referenced standards for consideration are:
 - MIL-HDBK-1916, *Companion Document to MIL-STD-1916*
 - MIL-STD-1916, *DOD Preferred Methods for Acceptance of Product*
 - Zero Acceptance Number Sampling Plans, *by Nicholas Squeglia*

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The inspection and test status of a product shall be traceable to the individual performing the acceptance.

Inspection Methodologies - Supplier shall design, develop, and validate all inspection processes, methods, or other product verification techniques required to assure the integrity of materials and workmanship used in the fabrication, assembly, or test of production hardware and components.

- The supplier shall establish and maintain documented procedures to control, calibrate and maintain all inspection, tooling, measuring and test equipment that can affect product quality, including test software and personally owned equipment and CMC supplied equipment.
- Calibrations shall be traceable to internationally or nationally recognized standards. Where no such standards exist, the basis used for calibration shall be documented.
- Equipment shall be identified with suitable indicators or an approved identification record of the calibration status.
- The Supplier shall assess the validity of the previous inspection results when equipment is found to be faulty or out of calibration and shall recall the product for re-inspection when the assessment indicates the result may be a nonconforming product. (Reference procedure: Control of Nonconforming Product)

SQL 7) Acceptance Test Procedure (ATP) Data - PRESSURE OR LEAK TESTS

REPORT - The Supplier shall provide a copy of the test report containing test parameters and actual results. The report shall include copies of all supporting documentation such as strip charts and time/temperature readings.

The report shall reference serial or lot numbers and shall be signed by the test operator and responsible company official. The supplier shall reference the data produced by the functional tests on the Certificate of Conformance.

SQL 8) First Article Inspection: The supplier's quality system shall provide a process, as appropriate, for the inspection, verification, and documentation of the first production article. First Article Inspection documentation shall include a list of the characteristics required by the design data (including those listed in specifications and sub-tier specifications) and any required tolerances, the actual results, and when testing is required, the results of the test. The First Article Inspection shall be updated to include changes to production processes or product configuration. The First Article Inspection Report (AS9102 First Article Inspection Form or similar) shall be submitted to CMC along with the actual product that was inspected for the FAI.

SQL 9) Special Processes - Suppliers shall be responsible for imposing satisfactory oversight and controls for any in-house or subcontracted special processing and non-destructive testing used on CMC product. National Aerospace and Defense Contractors Accreditation Program (NADCAP) or similar accreditation is the preferred method of approval for Special Process.

Note: Loss of third party accreditation requires written notification to the CMC Purchasing Manager and Quality Manager.

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Special processes include:

- Non-destructive testing (radiographic, ultrasonic, fluorescent penetrant, magnetic particle, etc.)
- Non-conventional machining (i.e. Electrochemical Machining (ECM), Electrochemical Grinding (ECG), Electrical Discharge Machining (EDM), Laser Beam Machining (LBM), Chemical Milling)
- Shot Peening
- Chemical processing (i.e. Painting, Plating, Anodizing, Chemical Cleaning, Chemical Milling, Conversion / Phosphate Coatings, Paint / Dry Film Coatings, Plating, Stripping, Surface Treatment / Passivation, Etching)
- Materials testing (metals testing only, hardness, metallography, micro-hardness, mechanical testing, chemical analysis)
- Heat-treating, Hot Forming and Furnace Brazing
- Welding (i.e. Friction Stir, Electron Beam, Resistance, Laser, Fusion)
- Sealant application

Suppliers performing special processes on CMC product are required to demonstrate operator and/or equipment capability and proficiency upon request of CMC Quality. This request shall be in written form and/or onsite audit.

SQP 10) DFARS – Defense Federal Acquisition Regulation Supplement. DFARS 225.872-1 General, Contracting with qualifying country sources. Supplement available from CMC Purchasing or <https://www.acquisition.gov/dfars/225.872-1-general>

SQP 11) DPAS – This is a rated order certified for national defense use. You are required to follow all the provisions of the defense priorities and allocation system regulation (15 CFR Part 700). <http://law.justia.com/us/cfr/title15/15-2.1.3.2.1.html>

SQP 12) Suspect Counterfeit Prevention- Suppliers shall follow suspect counterfeit prevention requirements as flowed down by CMC or it's customers. When required, the supplier shall provide evidence of a SC/I program.

- The Seller shall not use or provide suspect or counterfeit materials or parts as part of the end item for delivery, including any fasteners (Grade 5, Grade 8, Grade 8.2, ASTM A325, bolts, studs, cap screws, washers, nuts, etc.), electrical components (circuit breakers, relays, fuses, transformers, etc.), piping components or mechanical piping components (pipe valves, fittings, nipples, flanges, couplings, plugs, spacers, and nozzles, etc.) valves, metal framing (plate fittings, post base, beam clamp channel, spring clips, square washers), wire rope, lifting materials (shackles, hooks, slings, cables, forklifts, hoists, etc.), welding material (rods, wire, flux, etc.) on any equipment, assemblies, components, or facilities under this contract. Any suspect or counterfeit material provided by the Seller to Company is subject to seizure and will not be returned to the Seller. The Seller shall replace any, and all suspect or counterfeit material at no additional charge to Company. All supporting documentation shall be clear and legible.

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SQP 13) ITAR – The Contractor agrees to comply with all applicable U.S. laws and regulations regarding export-controlled items, including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C.2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration Act, 50 U.S.C app. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; including the requirements for obtaining any export license or agreement, if applicable. Without limiting the foregoing, contractor agrees that it will not transfer any export controlled items, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to contractor or contractors lower tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception.

SQP 14) RECORDS – The Seller shall retain all records needed to show conformance to Purchase Order requirements for each shipment. Records shall remain legible, readily identifiable, and retrievable for a period of (5) five years after completion of this Purchase Order or for such longer period as required by this Purchase Order.

Examples of the type of documents that may require retention include:

- Records of inspection measurements.
- Records of product testing.
- Records demonstrating work performed to produce the product (e.g., shop travelers, routers, etc.).
- Records of traceability to manufacturer part number, lot number, and date code.
- Records of calibration.
- Records of raw material certification.
- Records of purchasing from sub-tier suppliers, to include purchase orders and certificates of conformance at a minimum.
- Records of any sampling plan requirements called out in supplied drawings, including lot quantity, sample size requirement, and values for each part.

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4 Revision History

RELEASE DATE	REVISION LETTER	DESCRIPTION OF CHANGE
04/15/2009	-	Original Release
06/23/2009	A	<p>Added: “CMC, CMC’s Customers and any Regulatory Authority shall have a right of access to all facilities involved in the order and to all applicable records, and requirements for the Supplier to flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.”</p> <p>Added: “Primary CMC suppliers who use sub-tier suppliers to manufacture CMC customer product, shall be responsible for flowing down the Supplier Quality Provision requirements to the sub-tier supplier. CMC suppliers are also responsible for obtaining and submitting all sub-tier quality records to CMC when the product is delivered to CMC. The CMC supplier is also responsible for maintaining all sub-tier supplier quality records.”</p>
05/18/2010	B	<p>Supplier’s AQMS (Approved Quality Management System) – CMC reserves the right to provide CMC-identified quality system findings, associated quality system data, and quality performance data to the supplier’s Management. <i>Suppliers that have an AS9100 certification, NADCAP or National Accreditation will not require an On Site Audit but will (removed) could (added) be required to complete a Survey or Questionnaire every 24 months if the supplier has had any quality nonconformances (added). Suppliers that do not have an AQMS will(removed) could (added) be surveyed every 12 months if the supplier has had any quality nonconformances (added).</i></p> <p><i>Follow up assessments will be conducted every 12 to 24 months if needed (added) to validate the Suppliers continuing efforts to meet CMC requirements.</i></p> <p>The CMC supplier is also responsible for supplying CMC with all Quality Records when product is delivered (added). Maintaining all sub-tier supplier quality records. (removed)</p>
12/22/2014	C	Add SQP 16, Suspect counterfeit prevention
02/22/2018	D	ADD SQP 17

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04/20/2021	E	<p>Eliminated <u>original</u> SQP definitions 1, 6, 10, 12, 13. (Clarification) Remaining SQP's were renumbered or redefined. SQP's 14 thru 17 are no longer used. Corrected minor formatting errors</p>
08/18/2022	F	<p>Added SQP 14, Added "Clarification" above.</p>