

Supplier Quality Requirements

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The terms “Item”, “PO”, and “Buyer” as used herein, have the same meaning as the terms “Work”, “Contract” and “ATF Aerospace”, respectively.

Questions regarding this document or the applicability of this document shall be addressed to Buyer’s Supplier Quality via email located at www.atfaerospace.com

Quality Requirements

Seller shall meet the applicable requirements of the latest revision of Appendix SQR-001 in effect as of the date of the Request for Proposal (RFP), unless otherwise amended by Buyer and Seller prior to PO issuance.

Seller shall:

- a. ensure all applicable SQR-001 requirements herein and other quality requirements in this PO are imposed upon Sellers, its agents and subcontractors at all tiers working on Buyer’s product; and
- b. have and maintain internet access for obtaining requirements of this PO; and
- c. ensure its quality system is third party registered by an accredited registrar listed in the “On line Aerospace Supplier Information System” (OASIS) and meets the quality system requirements identified in this Appendix SQR-001, and
- d. comply with the additional quality requirements contained in the PO as applicable
- e. ensure that persons are aware of their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.

ATF’s minimum performance expectations is

- Quality: 100PPM or lower based on the 3 month rolling average
- Delivery: 98% On-Time to Requirements (OTTR)

Quality System Changes and Customer Findings:

Seller shall notify ATF aerospace via the following email in within 10 days of any of the following:

- 1.) Change in its quality system status; or
- 2.) Loss of third party registrar’s certification status; or
- 3.) Change in Seller’s quality organization, processes or procedures that are known to affect or could potentially affect conformity of any Item; or

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4). Adverse action taken by a US Government entity (e.g. FAA, CAA, OSHA, DoD, EPA, etc.), third party registrar, International Government Agencies, or Nadcap to include, but is not limited to, any of the following a) Issuance of any major Level II or Level III Corrective Action Request associated with Buyer Items, Quality Management System or processes associated with Buyer Items b) Issuance of a major finding by a third-party registrar c) Suspension of Government Source Inspection

Seller shall provide actions taken or planned actions related to any events listed 4a through 4c through 4 above with the written notification.

Seller shall provide within 30 days of the written notification the approved corrective actions taken in response to any adverse actions reported in 4A through 4C above. Seller shall permit Buyer access to data in OASIS and Nadcap databases including registration documentation, certification, audit reports, findings, corrective actions, etc. Buyer reserves the right to input repetitive escape data and major audit findings regarding Seller into the relevant OASIS data base records for review by the Seller's Registrar or Certification Body.

Sale, Relocation, or Closure of Seller's Facility or Transfer of Manufacturing Operations

Seller shall notify ATF Aerospace Quality and Buyer, in writing, at least 90 days in advance of any sale, relocation, or closure of Seller's facility or transfer of manufacturing operations (subject to any legal or regulatory restrictions). Seller shall include the following, as a minimum, in the written notification:

- a. purpose of the applicable change,
- b. address of the new location(s), when applicable,
- c. assessment of actual or potential impact to current POs,
- d. risk mitigation plan to ensure compliance to existing requirements,
- e. plan defining the identification, storage, protection, retrieval and retention of records, if applicable,
- f. master schedule and timeline of applicable change activity, and
- g. relocation Coordinator/Point of Contact, if applicable

Language

Seller documents and records submitted to Buyer shall be in English.

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Counterfeit Parts / Materials Prevention

For purposes of this clause, “Work” consists of those parts/materials delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, Commercial Off-the-Shelf items, standard hardware, goods, raw materials and assemblies). “Commercial Off-the-Shelf” (COTS) describes the purchase of packaged solutions available in the commercial marketplace that can be bought and used either out of the box or adapted to satisfy the needs of the purchasing organization. “Counterfeit Work” means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part/material from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. “Suspect Counterfeit Work” means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part/material is authentic. “Authorized aftermarket manufacturer” means an organization that fabricates a part under a contract with, or with the express written authority of, the original component manufacturer based on the original component manufacturer’s designs, formulas, and/or specifications. “Authorized supplier” means a supplier, distributor, or an aftermarket manufacturer with a contractual arrangement with, or the express written authority of, the original manufacturer or current design activity to buy, stock, repackage, sell, or distribute the part. “Original manufacturer” means the original component manufacturer, the original equipment manufacturer, or the contract manufacturer.

Seller shall not deliver Counterfeit Work or Suspect Counterfeit Work to Buyer under this Contract. Seller shall establish and maintain a Counterfeit Prevention and Control Plan (CPCP), using current versions of AS-5553 or AS6174 as content guidelines. The purpose of Seller’s CPCP shall be to document a robust, risk-based process to prevent the delivery of and to control counterfeit or suspect counterfeit parts/materials. Seller’s CPCP shall document the processes used to prevent, detect, mitigate, disposition, and report suspected or confirmed counterfeit parts/materials or assemblies containing same. Seller’s counterfeit prevention process shall include training of appropriate personnel to ensure awareness, prevention and mitigation of Counterfeit Work and implementation of the counterfeit prevention processes. Seller shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract or Customer Specifications.

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Seller shall only purchase parts/materials to be delivered to Buyer as Work directly from Authorized Sources of Supply. Authorized Sources of Supply include: The Original Manufacturer (OM) of the parts/materials, including mills and foundries, and Authorized Aftermarket Manufacturer (AAM) of the parts/materials, their Authorized Suppliers (AS), or suppliers that obtain such parts/materials exclusively from the OM/AAM/AS. If Seller is unable to acquire parts/materials from the OM/AAM/AS because of non-availability from such sources, Seller may obtain parts/materials from another source only if Seller's inspection and other counterfeit risk mitigation processes are employed to ensure the authenticity of the Work, and Seller has received advanced written approval from the Buyer.

Seller is responsible for the authenticity of all parts/materials provided to Buyer and evidence of authenticity is subject to review by the Buyer and its customer upon request.

Seller's processes shall include the means to provide to ATF Quality and Buyer, upon request, the supply chain traceability from the OM/AAM, including mills and foundries, to product acceptance by Buyer, including the name and location of all the supply chain intermediaries. If traceability is not obtainable Seller shall provide written notice to the ATF Quality and Buyer prior to delivery that includes records of evidentiary tests and inspections of authenticity in accordance with existing applicable industry standards. Seller shall maintain documentation of traceability or the inspection and testing authentication required and make such documentation available to Buyer and its customer upon request.

Seller shall notify ATF Quality and Buyer of the pertinent facts of a nonconformance in accordance with this document if Seller becomes aware or suspects that it has furnished Counterfeit Work. Suspect counterfeit parts/materials shall be treated as Nonconforming Items as they relate to the Seller notification process in accordance with Appendix QX para 2.2, including the quarantining and reporting of suspect parts/materials.

Sellers eligible for utilization of the Government-Industry Data Exchange Program ("GIDEP") shall utilize the GIDEP process to alert the industry of encountered counterfeit parts/materials.

Seller shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of parts/materials that will be included in or furnished as Work to Buyer.

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Certificate of Conformance and Certification package requirements

Seller shall: prepare a.) Certificate of conformance (“CoC”) to assert the Items contained with the shipment are in compliance with all applicable requirements of the PO; and

b) .annotate in the delivery package any exceptions, e.g. variances, Supplier Quality Assurance Report (“SQAR”), Variance #, RMA# etc.; and

c). ensure the CoC is signed by a Seller’s quality representative; and

d). include a copy of the CoC inside the shipping container.

Seller to provide required paperwork per the PO including all traceability certifications back to the OEM such as material certifications and special process certifications.

The C of C can be a separate document, or it can be included as part of the shipping declaration/packing slip text in separate statement. Supplier shall place C of C/packing slip inside the shipping box with the parts and a copy of the packing slip on the outside of the shipping box.

Provision for Alternate Acceptance DD250 Process:

When authorized in writing by Buyer’s customer, Seller shall ship with a Certificate of Conformance any supplies for which the contract would otherwise require government inspection at source. The CoC shall be in the format outlined in FAR 52.246-15.

Quality Records

Seller shall: Maintain complete records of the following:

a.) all manufacturing, inspection, test, CoC, and shipping; and process capability or tooling control, if applicable; and

b.) all nonconforming material, dispositions, assignable causes, corrective and preventive actions, and effectiveness of corrective actions; and make such records available for at least three (3) years after final payment of this PO or for longer periods if specified elsewhere in this PO; and

maintain records of all special Processes “Work” performed and/or procured in accordance with Customer Requirements at least seven (7) years after final payment of this PO or for longer periods if specified elsewhere in this PO; and

Upon Buyer’s request, forward copy of Quality Records to Buyer.

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If Seller ceases operations, Seller shall notify Buyer in writing within ten (10) business days of decision to cease operations and transfer records to Buyer in accordance with Buyer direction and information available.

Records must be stored in an area which meets all local Fire and Life Safety Codes that prevents loss, damage or deterioration. All data stored by electronic means shall be secure with back- up procedures, and audited to verify the integrity of the data.

Retention time of Records: Requirements for retaining documented information other than that specified below shall be per applicable Quality Management System standard. (Ref: AS9100)

Records in Support of Minimum Retention Period: Radiographic Film, Digitized Film or Digital Radiographs 11 years. Non-traceable, non-serialized parts 11 years. Traceable parts as identified on the drawing or purchase order indefinitely. Serialized parts as identified on the drawing or purchase order indefinitely. Records required as authorizing evidence per counterfeit prevention requirements indefinitely. Critical parts as identified on the drawing indefinitely. Distributor standard off the shelf product 7 years. MINIMUM retention periods, beginning with the date the order was completed. In the case where a specification, contract or purchase order requires a greater retention period, the more stringent requirement will apply.

A lengthy period of time specified in the law that cannot be determined in advance. Indefinitely does not mean that the records must be retained permanently. Records having a retention period of "Indefinitely" should be reviewed periodically to determine if they have surpassed their useful legal and business life.

Government-Industry Data Exchange Program (GIDEP) Membership

If Seller is eligible for GIDEP membership, Seller is required to be a member of GIDEP.

Buyer-Certified Materials:

Seller shall establish and maintain controls to prevent the use of non-certified materials when Buyer-certified materials (Customer Approved materials/Products) are required.

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Calibration

Seller shall maintain a system for calibration and maintenance of tools, jigs, inspection and test equipment that is compliant with an industry-recognized standard (e.g. ISO 17025, ISO 10012-1, ANSI Z540).

Buyer-Furnished, Seller-Manufactured or Seller-Owned Tooling

Seller shall include in its documented quality system written procedures for the control, maintenance, and calibration of special tooling, jigs, inspection and test equipment, and other devices used in manufacturing processes. Seller shall comply with the requirements of the P.O. for Buyer-Furnished, Seller-Manufactured or Seller-Owned tooling.

Quality System Requirements

Seller shall have a current third-party certification from an accredited registrar listed in the "On line Aerospace Supplier Information System" (OASIS) per the following criteria. For all products AS/EN9100 is required, except as defined below:

- A .AS/EN9120 is required for suppliers performing as Distributors. Suppliers acting as distributors with AS9100 certification must have a Scope of Approval that includes Distribution if AS9120 certification is not held
 - b. AS9110 is required for suppliers performing Maintenance, Repair or Overhaul (MRO) activity on product for which they are not the OM. OMs with AS9100 certification must have a Scope of Approval that includes MRO activity if AS9110 certification is not held
- ISO-9001, as a minimum, is required for suppliers providing ground support or manufacturing support equipment.

- Distributors – The AS9120 standard is for use by organizations that procure parts, materials and assemblies and resells these products to a customer in the aviation, space and defense industries. This includes organizations that procure products and split them into smaller quantities including those that coordinate a customer controlled service on the product

Point of Acceptance

When this PO requires Buyer Accept at Source, Buyer acceptance can involve periodic surveillance by Buyer of Seller's quality system, manufacturing processes or physical Item, including work at Seller's sub-tiers. Based on Seller's performance, Buyer acceptance activities may result in the requirement for full-time oversight of Seller's or

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Seller's agents and subcontractors. Buyer acceptance, prior to shipment, shall be performed at the Seller's facility address referenced on Buyer's PO.

Facility Access

Seller shall provide or obtain for Buyer, Buyer's customers and regulatory agency personnel, access to any and all facilities where work is being performed or is scheduled to be performed, including those facilities of Seller's agents and subcontractors, in order to perform Item inspections, surveys or system/process surveillance as part of verification of conformance to the requirements of this PO. Seller shall include the provisions of this facility access requirement in its POs with its agents and subcontractors, for this PO. Seller shall provide the following to Buyer, Buyer's customers or regulatory agencies:

1. Suitable facilities at Seller and Seller's subcontractors' manufacturing locations for Buyer, or Buyer's representative, Buyer's customer and regulatory agency representatives to perform Item inspections, surveys or system/process surveillance, and
2. High speed internet access Customer and or Representative.

Corrective Action, Preventive Action, Request and Reporting

Seller shall:

- a. If MRB is invoked on the PO, ensure effective corrective and preventive action is taken (including repetitive nonconformance's dispositioned "Use-As-Is" or "Repair" by Buyer's or Seller's Material Review Board ("MRB") actions) to prevent, minimize, or eliminate nonconformance's; and
- b. evaluate each nonconformance for its potential to exist in previously produced Items and notify ATF buyer and Quality Representative, in writing, by submitting a Supplier Disclosure Letter (SDL) on Items in transit or delivered to Buyer or Buyer's customers in accordance with the following:
 1. within 24 hours of the Seller's discovery of a potential or verified nonconformance form, fit or function.
 2. within 5 working days of Seller's discovery of all other potential or verified nonconformances.

Provide effective corrective and preventive action upon request by Buyer and, when requested by Buyer, provide trend data; and assess all Buyer-identified nonconformance's, whether Item(s) was/were returned to Seller, and take appropriate actions to ensure causes of nonconformance are corrected; Notify ATF Quality and Buyer when the seller cannot verify a Buyer reported nonconformance.

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Control of Nonconforming Product / Material Review Process

When a nonconformance is discovered, or the Supplier is notified of a discrepancy, the Supplier must take immediate action to determine if the condition exists on any other work-in-process, in all inventory locations at the Supplier's facility, or in prior shipments. Containment action must be taken and documented prior to the next shipment of the part number involved.

Return Purchase Orders for Replacement, Reworked or Repaired Parts

Any part being supplied to ATF on a return purchase order or RMA must conform to drawing, specifications, aftermarket maintenance technical data or purchase. Under no circumstances are parts known to be used or overhauled to be sent as a replacement for an OEM part. For parts that cannot be reworked to full drawing compliance economically or where repair authorization will not be granted, parts are to be scrapped at the suppliers' facility. Supplier shall contact ATF Purchasing agent prior to scrapping these parts, and ATF reserves the right to witness the scrapping activity and request a scrap certificate.

Seller shall ensure Seller's quality system has capability to report non conformances on Critical Safety Items (CSI) in full compliance with Defense Federal Acquisition Regulation Supplement ("DFARS") 252.246-7003.

Buyer has the right to limit or eliminate Material Review (MR) processing on work defined by this PO.

Seller MRB for Seller-designed or Buyer-designed Items is not applicable to Buyer Furnished Equipment (BFE). Seller shall not scrap Items where BFE has become an integral, inseparable part of an assembly without prior, written authorization from Buyer

For Buyer-designed Items, Seller MR processing is limited to scrapping of Items, eliminating the nonconformance by rework to engineering, or returning to vendor. Seller shall request repair or Use-as-Is disposition from Buyer's MRB. Seller's continued processing shall be limited to subsequent operations that do not hide, alter or limit the ability to inspect, disposition or repair Item unless Seller has received written approval from Buyer.

Outside Processing

Special Processing shall be performed by approved suppliers only with NADCAP accreditation or as Customer Directed. Seller may access Nadcap approved sources at <http://www.p-r-i.org> then proceeding to [http:// www.eAuditNet.com](http://www.eAuditNet.com) Seller's utilization of Buyer-approved or Nadcap accredited 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. Upon request by Buyer, Seller

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shall provide objective evidence that such compliance was attained and that such conforming Items were delivered Suppliers shall maintain a register of approved Suppliers.

Seller shall be responsible for providing special process source with the appropriate revision level of the process standards/specifications prior to performing processing.

Seller shall ensure all Seller sub-tier POs or associated PO documents for Buyer-controlled processes include the following data elements.

- a. Sellers Customers PN and applicable program Finish Specification and revision, and any special drawing requirements including class and Type.
- b. Seller's sub-tier must file and maintain a copy of all POs and traceability records and make these available for review by Buyer, upon request, and
- c. statement that Seller's sub-tier must submit a CoC with a unique certification which contains the elements listed in QJ, and
- d. Fracture durability classification or serialization, when required, and a statement to ensure Seller's sub-tiers suitably wraps, boxes or racks parts to guard against shipping damage and to apply rust or corrosion protection.

Honeywell Related Purchase Orders

As defined in the ATF Purchase Order – Product is for Honeywell, all Suppliers are required to follow the SPOC identified on the Purchase Order in its entirety.

Sources of Supply

When the source of supply is specified on a Honeywell drawing or specification invoked by purchase order in any manner (approved, may, suggested, recommended, trademarked, QPI, etc.), only those sources of supply shall be used. The use of any alternate sources not specifically listed on the drawing or its associated specs/databases is prohibited unless otherwise specified by site-specific requirements flowed on the Purchase Order.

First Article Inspection (FAI) Requirements

Honeywell: The Supplier is responsible for assuring completion of the First Article Inspection Report (FAIR) per AS9102 for all design characteristics generated by the supplier or their sub-tiers. In the event of any conflict between the PO, AS9102, and the current revision of the Supplier instruction, the order of precedence shall be:

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For HW designed items 1) the text of the SPOC, 2) instructions in the current revision of the Supplier instructions, AS9102. Please see SPOC 124 for HW FAIR requirements

Non Honeywell Orders: The FAI requirement of AS9102 applies to each bill of material or parts list item with a part number that is invoked in the product design, including lower level detailed drawings identified on top level assembly drawing(s) and each cavity or tool serial number for products whose dimensions are controlled by the tool. FAIRs may be required on Customer or Supplier Drawings. Approval to operate under any alternate FAIR plan shall only be authorized by ATF Quality Management in writing and must be sent with a copy of the FAIR.

Periodic/Repeat FAIs

ATF reserves the right to exercise the requirement of additional and/or periodic/repeat FAI requirement on a part number basis to assure continued product conformity. Also, ATF reserves the right to validate multiple production lots if needed to determine overall process capability. FAI requirements are governed by the event table listed below.

Event Description	FAIR Type Due	On Line First Article System	FAIR review required by ATF
New base PN for first time supplied by source	Full	All	Yes
The engineering drawing for the part receives a revision letter change that affects Form Fit Function	Full	All	Yes
If part has a nonconforming condition, RMA, MRB authorizing rework or a requirement modification	PARTIAL FAIR due on next lot manufactured or expiration of deviation / waiver	All	Yes
Change in Special Process source since last approved First Article.	PARTIAL FAIR	All	Yes
Two year (2) lapse in production	Full	All	Yes

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A change in manufacturing source or location of manufacturing equipment, including tooling transferred from another Supplier or division of the same supplier	Full	All	Yes
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Shelf Life Items

The supplier shall maintain a documented system for using, storing and controlling items with limited shelf or storage life. The system shall include a method of identifying and controlling such items to ensure expired items were not used in products shipped to ATF and that items shipped met remaining life requirements. Shelf life shall apply per manufacturer expiry date or “use-by” date but not supersede applicable specs. For specific Customer requirements for Shelf Life refer to the Purchase Order.

Restrictions for use of Mercury and or Mercury Containing Components

Products shall contain no metallic mercury and must be free from contamination by mercury. The Supplier shall not use mercury, mercury components or mercury bearing instruments or equipment that cause the contamination during the manufacture, service, assembly, or test of materials. The Supplier shall send a signed statement with the shipment that tells that the items are free of mercury and free from mercury contamination,

Critical Safety Items

For items defined as Critical Safety Items on the Purchase Order, Supplier shall meet all requirements listed in the PO. When the CSI/CSA item is identified on the Purchase Order the/ Manufacturer is required to be approved for the associated specification either QPL/QML/Vendor controlled item or Customer identified. Supplier is required to provide an inspection report of the finished part for any Critical Safety item or Critical Safety Application item. Supplier must provide all certification requirements including special processing certifications.

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Packaging

The Supplier must ensure that all items are packaged and preserved adequately to guarantee that the hardware is delivered to ATF undamaged and free of corrosion. Unless otherwise specified, all hardware shall be packaged and preserved in accordance with the drawing, applicable specifications, or purchase order requirements. If there is no drawing or specification requirement, hardware shall be packaged and identified in accordance with Aerospace Industry Standards (ATA Spec 300, ASTM-D3951-98 and MIL-STD-2073).

Hazardous Materials and Dangerous Goods

The Supplier shall define, mark, label and prepare for hazardous goods, dangerous material and/or dangerous equipment for shipment in accordance with Department of Transportation HM181, CFR Title 49, "Dangerous Goods", as classified by IATA, IMDG or ICAO. Due to regulation requirements and potential liability issues, ATF may report violations of hazardous materials & dangerous goods regulations to the appropriate governmental agencies. Note: Jet fuel is a hazardous substance. If an item is purged with 1010 oil, label the exterior shipping container "Purged with MIL-PRF-6081, Grade 1010 Oil". If fuel-wetted items have significant cavities that cannot be flushed, even if purged, HAZ MAT shipment may be required.

International Bug Ban on Containers with Solid Wood Containers: Dunnage, pallets & skids other than those containing non-manufactured coniferous lumber shall be used when possible. If containers with solid wood components must be used, they shall be certified and marked bug free in accordance with ISPM 15 and/or as indicated by <http://www.aphis.usda.gov>.