



SIKORSKY AIRCRAFT CORPORATION SELLER QUALITY REQUIREMENTS

SECTION I – PREAMBLE & DEFINITIONS

Preamble:

For all Orders referencing the applicable “Supplemental Clauses for Subcontracting,” the provisions of the version of the “Sikorsky Aircraft Corporation Seller Quality Requirements” in effect on the date of the particular Order shall apply. These “Sikorsky Specific Seller Quality Clauses” are hereby incorporated by reference and expressly constitute part of the “Supplemental Clauses for Subcontracting.”

Definitions:

The definitions in this document shall have the same meaning as those which appear in the applicable CorpDoc and Sikorsky Aircraft Corporation Supplemental Clauses for Subcontracts.

SECTION II - QUALITY ASSURANCE PROVISIONS

The following Section II provisions apply to the Goods as identified on the Order within Buyer’s web based supplier quality system, “Sikorsky Supplier Quality System (SSQS).”

- 1.) Seller shall execute two original copies of Certificate of Compliance Form SA 876 (“Compliance Form”) certifying that Goods meet all applicable Specifications and drawings requirements. Buyer may, at any time, examine the Compliance Form and the supporting documentation, and audit Seller’s procedures related thereto. If at any time Buyer requests a copy of the Compliance Form for any particular shipment under this Order, Seller shall within three (3) days of receipt of such request deliver to Buyer a certified copy of the Compliance Form.
- 2.) Seller shall maintain supporting evidence and documentation related to Goods for the period required by the Sikorsky Supplier Quality Requirements (“SSQR”) record retention requirement. The supporting evidence and documentation shall be made available to Buyer for inspection within three (3) days of Buyer’s request.
- 3.) Seller shall create a Material Certificate (“Certificate”) showing compliance with the requirements listed on the applicable Specifications for each Order, including chemical, physical, and other related requirements. The Certificate shall be signed by an authorized representative of Seller. For Goods or other items undergoing inspection by Buyer at Seller’s facility, the Certificate shall affirm compliance with the chemical, physical and other requirements, and passage of any applicable tests listed on the applicable Specifications for each Order. The Certificate shall be retained on file at Seller’s facility and made available to Buyer for inspection upon Buyer’s request. For Goods or other items undergoing Buyer’s inspection at Buyer’s facility, the Certificate and or test reports shall be attached to the packing slip accompanying each shipment.
- 4.) If Seller is manufacturing Goods for which Seller retains design responsibility, minor non-conformances may be processed by the Seller using Seller’s documented Non-conforming Material Control System. Notwithstanding the generality of the foregoing, Buyer retains design responsibility for the design and interface requirements on all Specification and source control drawings. Whenever required by Buyer, Seller shall submit a Discrepancy Record per SSQR-01 Sikorsky Unique Supporting Documentation Appendix A at the earliest practicable time and always in sufficient time prior to the Delivery Date for dispositioning any design specification or interface non-conformances (“Disposition(ing/ed)”). Seller shall always submit documentation to Buyer describing any non-conformances which affect or involve: (i), safety, performance, reliability, interchangeability, service life, weight or appearance (if appearance is applicable) of a

Good, relative to Seller's design responsibility drawings, and (ii) any aspect of a Good which is, or has components which are, classified as critical parts by Buyer. Seller shall submit a Request for Waiver or Deviation (DD Form 1694 or letter in a format acceptable to Buyer "Request") to a representative of Buyer's Purchasing Department, unless otherwise directed by the technical data specification cited in the Purchase Order. The Request shall be submitted to Buyer at the earliest practicable time and always prior to Delivery Date with sufficient time for Buyer's Program Management Team to analyze the non-conformity and formulate an action plan and/or appropriate Dispositioning.

- 5.) The provisions of Paragraph 6 set forth below are applicable.
 - a.) RESERVED
 - b.) Seller shall execute a certification stating that all Goods supplied under this Order have been inspected and are in full compliance with all applicable drawings and Specifications. Seller shall retain the certification on file at Seller's facility pursuant to the record retention requirements in Paragraph 2 above, and shall deliver the certification to Buyer upon request.
- 6.) The Goods under this Order are subject to the requirements of SSQR-01 /AS9100 or its current successor. Seller shall flow down the applicable requirements of this Order to its lower tier suppliers. No changes shall be made to a lower tier supplier process, or operations by Seller or its lower tier supplier(s) without submittal of qualification samples or initial deliveries. Any change permitted by Buyer shall be controlled in accordance with Buyer's policies and procedures. Seller shall deliver to Buyer prior to delivery of any Goods that have been changed an independent certification that the changes conform to the requirements of this Order including but not limited to safety, performance, reliability, interchangeability, service life, weight or appearance (if appearance is applicable).
- 7.) All Flight Safety Parts and/or assembly(s) containing Flight Safety Parts shall be in strict accordance with Flight Safety Parts requirements of the Purchase Order and the Flight Safety Parts requirements set forth in SS9211 and Section III.
- 8.) Buyer requires that certain hidden dimensions/characteristics of Goods ("Reportable Characteristics") be individually inspected and documented on form SA 5182 by Seller at Seller's location. For Orders with multiple shipments, the Form 5182 shall be completed by Seller for, and delivered with, each shipment of Goods. All Form 5182s shall be maintained on file by the Seller and shall be made available to the Buyer upon request. Form 5182 shall be submitted to Buyer with each shipment, unless Buyer's inspection is performed at Seller's facility. If Buyer's inspection is performed at Seller's facility, Seller shall maintain the Form SA5182 at Seller's facility
- 9.) If Buyer Dispositions a Good(s) in accordance with Buyer's Material Review Board procedures and Buyer determines that the Goods are amenable to re-delivery to Buyer after Seller's re-work/repair. Seller shall not re-ship the Goods to Buyer without: (i) permitting Buyer the opportunity to perform an inspection verification of the Goods, and/or materials, components, sub-assemblies, or other aspects thereof, and (ii) notifying Buyer seven (7) working days in advance of the date on which the Goods and/or materials, components, sub-assemblies, or other aspects thereof, will be ready for Buyer's inspection. All Goods which have been Dispositioned to the Seller for re-work/repair shall immediately upon Seller's receipt, at all times while in the possession of Seller and at the time of re-shipment to Buyer, be:(i) clearly identified as Dispositioned; and (ii) segregated from conforming Goods.
- 10.) The provisions (a.) – (e.) below apply to this Order

- a.) Seller's purchase orders with subcontractors for subcomponents of Goods ("Subcomponents") shall indicate that the Goods are being supplied to Buyer and that the Subcomponents are Flight Safety Parts. Seller's purchase order shall also identify all applicable documents drawings and/or Specifications, including revisions levels. Specifications and revision levels shall be obtained from the material and process index, the date of which is noted in SSQS. Certifications for all processes from Seller's subcontractors shall also indicate Goods are for Buyer and that the Subcomponents are Flight Safety Parts.
 - b.) Goods designated as Flight Safety in accordance with SS9211, Flight Safety Parts source approval, contain characteristics and or processes classified as critical. The performance of any critical operation or process shall be specifically authorized by Buyer as evidenced by approved frozen planning. Seller shall only use those sources approved by Buyer to perform specific critical operations or processes. Independent special process and test sources shall only perform work for which Buyer has granted prior written approval.
 - c.) Unless otherwise specified by Buyer's Supplier Quality Assurance Representative, All inspection requirements for Goods and Subcomponents shall be identified within SSQS and performed/ documented therein as required by Buyer's authorized inspectors.
 - d.) Identification and traceability to all Flight Safety Parts shall be in accordance with Buyer approved frozen planning, SS9211 and SS8798 in addition to a completed form SA5193 and shall be available upon the transfer of parts from Seller's subcontractor to Seller and shall be accompanied by an authorization to ship number from SSQS.
 - e.) Seller's subcontractors shall grant access to facilities to Buyer and/or Buyer's authorized third party inspector for the performance of inspection and/ or facility audit. Additionally, Seller's subcontractors are responsible for coordination and completion of requirements for government source inspection within their facilities as required prior to shipment.
- 11.) Seller shall implement process certification in accordance with SSQR-01 Appendix E, and AS9103.
 - 12.) Seller shall implement subtier management procedures in accordance with SSQR-01 Appendix D.
 - 13.) Seller shall implement Production Part Approval Process (PPAP) in accordance with SSQR-01 Appendix F.
 - 14.) Buyer may require that Goods be manufactured using sources for special processes and laboratory procedures approved by Buyer ("Approved Sources"). Approved Sources shall be set forth on Buyer's Approved Source List for Special Processes and Laboratories ("Approved Source List"). Seller shall conform to the most current Approved Source List. Buyer shall post the current edition of the Approved Source List on the Sikorsky Supplier Portal. Buyer may, in its absolute discretion, issue a new superseding edition of the Approved Source List at any time. If a new superseding edition of the Approved Source List is issued, which affects the Goods, Seller shall:
 - a.) If Goods are work in process, a process is contracted for, or there is a cost impact on this Order, Seller shall promptly give written notice to Buyer's Purchasing Department representative, which notice shall specify the affected process and an estimate of the cost impact, and may request an adjustment in the cost; or

- b.) If Goods are not affected by the circumstances set forth in paragraph (a) immediately above, proceed in accordance with the superseding edition of the Approved Source List.
 - c.) Seller shall maintain an original or Certified True Copy of the Special Process Certification (herein in this paragraph "Certification") from the Approved Source used by Seller for the Goods. Seller or manufacturer of the Goods shall maintain all Certifications on file in accordance with the record retention requirements set forth in SSQS-01, and shall submit copies to Buyer upon request. The Certification shall state that Buyer's inspection is to be conducted at Seller's facility. Seller shall present the Certification to Buyer during source inspection. "Certified True Copy" means a complete copy (front and back) of the original including all terms, signature, and dates, to which is attached a signed statement that the copy has been compared with the original and that it is a true copy. The copy must be legible, reproducible, and printed on paper permanent in nature.
- 15.) RESERVED
 - 16.) RESERVED
 - 17.) RESERVED
 - 18.) RESERVED
 - 19.) RESERVED
 - 20.) Buyer may require that Goods conform to an Acceptance Test Procedure(s) ("ATP"). If an ATP is required, Seller shall deliver with the Goods a copy of a certificate ("ATP Certificate") certifying that the Goods have passed the ATP. The ATP Certificate shall also list the applicable Part Number of the Good(s), and the applicable ATP Number and the revision thereto. The original of the ATP Certificate shall be maintained at the Seller's facility in accordance with the record retention requirements set forth in SSQR-01. Buyer may, at any time, witness an ATP, and review ATP results.

SECTION III – ADDITIONAL QUALITY ASSURANCE PROVISIONS

The following Section III provisions apply to all Orders except as specifically qualified within the text of the provision.

1. Flight Safety Parts

Applicability: Applicable Only to Goods which are or contain Flight Safety Parts as defined by SS9211.

- 1.1. Buyer, in its absolute discretion, may designate Good(s) as critical to safety of flight ("Flight Safety Part(s)") on the Order. The provisions of this paragraph, Flight Safety Parts, shall apply to all Flight Safety Parts.
- 1.2. If this Order is for Goods, which are, or contain, a Flight Safety Part(s), Seller, at its own cost and expense (except as otherwise explicitly noted), shall:

- 1.2.1. Maintain, at all times, a Buyer-approved quality system. In addition to any requirements identified in Section II, Quality Assurance Provisions above, Seller shall comply with the requirements of Sikorsky Supplier Quality Requirements ("SSQR") as set forth on the Order;
- 1.2.2. as requested, deliver to Buyer for approval, which approval shall be within the sole and absolute discretion of Buyer, all records and documentation related to the manufacture, testing, storage, handling and all other matters related to the integrity and quality of the Goods, including operation sheets, training records, routing guides, parts traceability procedures, planning and processing documentation, and quality assurance and inspection processes and procedures (hereinafter collectively referred to as "Flight Safety Parts Documentation") relating to, or arising out of, Seller's proposed performance of processes and/or characteristics of the Goods, which Buyer, in its sole and absolute discretion, identifies on the Order as critical ("Critical Characteristics or Processes"). Upon Buyer's approval of Flight Safety Parts Documentation, including those operations identified as Critical Characteristics or Processes, they shall be deemed "frozen;"
- 1.2.3. make such changes, including to Goods, Flight Safety Parts Documentation and/or Critical Characteristics or Processes as may be required to obtain and maintain Buyer's approval of the Flight Safety Parts Documentation;
- 1.2.4. not make changes to its Flight Safety Parts Documentation, Critical Characteristics or Processes, or other aspects of the processes or characteristics of Goods frozen by the Buyer, or use any alternate material, without the prior written approval of Buyer, provided however, Seller may make such minor changes as are expressly reserved to Seller's discretion in the Flight Safety Parts Documentation;
- 1.2.5. develop and maintain as part of its Flight Safety Parts Documentation, a process for verification and certification of compliance with all the requirements of the Flight Safety Parts Documentation, which shall include a system to certify and verify that each Critical Characteristic or Process is strictly complied with, and that the Goods were manufactured/processed in compliance with the Flight Safety Parts Documentation;
- 1.2.6. maintain all Flight Safety Parts Documentation for a period of forty (40) years after delivery of the Goods; Buyer may from time to time inspect Seller's books and records and audit them for compliance with the requirements of this Section; and
- 1.2.7. in the event that Buyer identifies a product safety concern relating to or arising from a Flight Safety Part, and in advance of commencing negotiations for requests for equitable adjustment or cost recovery, immediately comply with Buyer's direction to provide technical/engineering expertise, process design changes, and supply materials, components, and/or Goods necessary to mitigate or alleviate the product safety concern.
- 1.3. If Seller is responsible for the procurement of Flight Safety Parts for integration into the Goods, Seller shall:
 - 1.3.1. procure Flight Safety Parts from sources which have been approved by Buyer for the manufacture Flight Safety Parts, as set forth in the Buyer's Quality System.
 - 1.3.2. have all Flight Safety Parts inspected by a Buyer approved inspector of Flight Safety Parts.
 - 1.3.3. comply with all rules set forth in Buyer's Quality System regarding the procurement of Flight Safety Parts, including but not limited to compliance with Buyer's SS9211 Specification, incorporated herein by reference.

- 1.3.4. incorporate in all orders with its subcontractors for Flight Safety Parts, a requirement for compliance with Buyer's SS9211 Specification.
- 1.4. Seller hereby, acknowledges, represents and warrants that it retains complete and sole responsibility for compliance with the provisions of this paragraph, and that any actions of Buyer related to any aspect of the matters issues addressed in this Section, including, approval of any documentation prepared by Seller, or providing to Seller recommendations, assistance, inspection, sources of supply, modifications or alternatives for documentation, characteristics or processes, shall not in any way limit, diminish, amend, modify or alter any duties of Seller under this paragraph or the Order.
 - 1.4.1. Seller shall not use, or seek approval for the use of, Non-Conforming Material, for which a NMRR/DR has been filed, in connection with a Critical Characteristic or Process.
 - 1.4.2. From time to time, Buyer may add or delete Critical Characteristics or Processes at no additional cost or liability. For those Critical Characteristics or Processes that are added, Seller, at its own expense, shall comply with all the provisions of this Section.

2. Quality Assurance

- 2.1. All physical and functional configurations of the Goods shall comply with the requirements of the Order. Seller shall, at Buyer's request and at no expense to Buyer, perform physical and functional configuration audits of Goods. Seller shall retain the results of the audit in accordance with the record retention requirements set for in the SSQR and make them available to Buyer upon request. Seller shall at its own expense correct all physical and functional configuration discrepancies immediately upon discovery.
- 2.2. All product suppliers shall maintain, at a minimum, two (2) Designated Quality Representatives (DQR's) at their facility.

3. First Article/Qualification Testing

- 3.1. If required by Buyer, Seller, at its own expense, shall test Goods, processes, procedures and facilities in conformance with the requirements of this Order including the performance of a first article inspection/qualification testing ("FAI"). Seller's duty(ies), and obligation to perform a duty at its own expense, under this Paragraph shall be applicable to all FAI's including those required at the commencement of a Seller relationship, introduction of a new part number or Good, or as a result of Seller's action such as moving manufacture of Goods to another location.
- 3.2. At least thirty (30) calendar days before commencing a FAI, Seller shall deliver written notice to Buyer of the time and location of the FAI. Buyer may witness the FAI, and Seller, if requested by Buyer and at Seller's own expense, shall make all commercially reasonable accommodations including making available suitable temporary office space for Buyer.
- 3.3. Upon Seller's completion of the FAI, Seller shall deliver the FAI test report in accordance with the delivery schedule in this Order. Seller shall mark the FAI test report "FIRST ARTICLE TEST REPORT: Order No.____, Lot/Item No.____". Within sixty (60) calendar days after Buyer's receipt of the FAI test report, Buyer shall notify the Seller, in writing, of its approval, conditional approval, or disapproval. Approval or conditional approval shall not relieve Seller from complying with all requirements of the Specifications and all terms and conditions of this Order. If Buyer disapproves a FAI, Buyer shall set forth its basis for the disapproval.

- 3.4. If Buyer disapproves of a FAI, Seller, upon Buyer's request and at its own expense, shall repeat the FAI and make any necessary changes, modifications and/or repairs to Goods, processes, procedures and/or facilities to complete successfully the FAI. If Buyer is performing the FAI, Seller shall as requested by Buyer and at Seller's cost and expense, make changes to Goods, processes, procedures and/or facilities in order for Buyer to complete successfully the FAI. All costs relating to additional tests or re-test whether performed by Buyer or Seller shall be borne by Seller.
- 3.5. Prior to Seller's receipt of Buyer's approval of a FAI, Seller's performance of any preparatory steps toward, or actual, performance of any portion of an Order including acquisition of sub-assemblies, materials or components, or the commencement, or completion, of production of Goods, and any risks associated with such efforts, (collectively "Speculative Steps") shall be at Seller's sole risk. Without limiting the generality of the foregoing, the costs of Speculative Steps shall not be allocable to this Order for any reason including: (1) progress payments, or (2) if the Order is terminated for the convenience of Buyer, termination settlements.
- 3.6. Notwithstanding the generality of the expense allocation provisions of paragraph 3.5 above, if prior to Seller's receipt of Buyer's approval of an FAI, Seller is permitted or required by Buyer, on terms mutually agreeable to the Parties, to perform Speculative Steps to the extent essential to meet the Order's Delivery Dates, Buyer's granting of permission to undertake Speculative Steps is not a waiver of any of Buyer's rights and does not relieve Seller from any of the requirements of this Order. Notwithstanding Buyer's permission or requirement to commence Speculative Steps, if a FAI when finally conducted reveals deviations or differences from Order requirements, the Seller shall make the required changes and/or replace all the effected Goods at no cost to Buyer including without limitation, retrofit, removal and reinstallation costs for items in Aircraft, and shall, at no cost to Buyer, make all modifications necessary to assure that Goods in production comply with the requirements of this Order.
- 3.7. The Goods delivered for FAI and those delivered as production quantities shall be manufactured/produced at the same facility. If Seller wishes to change the location of manufacture of such Goods, it shall submit to a new FAI in accordance with the procedures set forth in this Section. Seller shall bear all costs of the new FAI, including Buyers' quality and engineering costs to support the FAI.

4. Configuration Control

- 4.1. Seller shall comply with the requirements set forth in this Order for controlling the configuration of Goods, supplies or items required under this Order.

5. Buyer Approved Parts

- 5.1. Seller represents and warrants that if required to use specific sub-assemblies, subcomponents, and materials in Goods from a specific list including, the Qualified Parts List, Qualified Manufacturers List, Buyer's Specification/standard approved source of supply, Engineering Source Control drawing, Specification control drawing, Qualified Process List, Material and Process List or any applicable qualified products/processes list ("Approved Part(s)", and the lists singularly or collectively as the context requires "Approved List(s)") it has only used, and shall only use the specific Approved Part and that the Approved Part has been manufactured by, or procured from, source(s) on the specific Approved List(s).

6. Solder

- 6.1. Seller, and Seller's sub-tier suppliers, shall not use lead-free solder in Goods. For the purposes of this Section, solder shall be considered lead-free if it has a lead content of less than three percent (3%). Seller may request a waiver of this duty by applying in writing to Buyer's Standards Department.

7. Wire and Cable Use and Handling

Applicability: If Seller uses silver-plated copper wire in any application in Goods, Seller shall comply with the following requirements.

- 7.1. At no time during handling shall the wire/cable (collectively "Wire") ends be exposed to moisture or water. A controlled environment shall be maintained throughout the harness/assembly (collectively "Harness") process to eliminate the necessity of end sealing the Wire. No Wire ends shall be terminated that show any signs or other visual evidence of "Red Plague". Once the packaging has been removed in an uncontrolled environment, all manufacturers, distributors, sub-contractors and partners shall follow the end-seals requirements. Any Wire that has been processed and not terminated for modification, re-work or replacement, that is susceptible to an uncontrolled environment shall be put into a sealed bag with a desiccant. Any Wire that is in an uncontrolled environment and not terminated shall be inspected for evidence of Red Plague. The Wire bending radius shall not be violated at anytime during spooling, manufacturing, modification or re-work. The removal/stripping of Wire shall only be accomplished with approved tools, calibrated to assure that the center conductors and plating are not nicked or damaged.
- 7.2. Storage of Wire shall be in a controlled environment, which is defined as a temperature not to exceed 84 degrees Fahrenheit and humidity not to exceed 70%.
- 7.3. Packaging for Wire shall be as follows:
- 7.3.1. AWG sizes 10 and smaller
- 7.3.1.1. Cut and splice all lengths together (i.e., WECO splice)
- 7.3.1.2. Seal unplaced ends with heat-shrinkable end caps
- 7.3.1.3. Use plastic spools only
- 7.3.1.4. Bag each spool in clear plastic with desiccant, then individually box
- 7.3.1.5. All spools and box labels to include the following statement: "WARNING: MOISTURE DAMAGE WIRE (CABLE) – KEEP ENDS SEALED"
- 7.3.2. AWG sizes 8 and larger
- 7.3.2.1. Cut and splice all lengths together (i.e., WECO splice); then cover all splices with heat-shrinkable tubing
- 7.3.2.2. Seal un-spliced ends with heat-shrinkable end caps
- 7.3.2.3. Use 24" wood reels, with plastic wrap extending beyond the flanges and covering the spooled wire with a desiccant
- 7.3.2.4. All reels labeled to include the following statement: "WARNING: MOISTURE DAMAGE WIRE (CABLE) – KEEP ENDS SEALED"

7.3.2.5. The acceptance standards shall be per the SS 7505.

8. Counterfeit Parts

- 8.1. Seller shall use new and authentic materials, commodities, items, assemblies, sub-assemblies and components (collectively in this section "Materials") in Goods. Seller shall purchase Materials directly from original manufacturers, manufacturer franchised distributors, or authorized aftermarket manufacturers (collectively in this section "Sellers") unless approved in advance by Buyer. Seller, at the time of each individual Seller quotation to a Seller, shall obtain from Seller: (i) the company name and location of the source of supply, and (ii) a representation that Seller is authorized to sell the Material.
- 8.2. Seller shall maintain Material traceability including tracking of Materials to the Seller. Traceability shall also include: (i) the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the Materials for Seller, and (ii) the manufacturer's commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or other batch identifications.
- 8.3. Seller shall initiate and maintain test and inspection activities to assure the authenticity of Materials, including: supply chain traceability and documentation verification; Visual examination; and applicable test and inspection activities.
 - 8.3.1. Seller shall deliver to Buyer records evidencing tests and inspections performed and conformance of the Material to specified acceptance criteria. Tests and inspections shall be performed by persons that have been trained and qualified concerning detection of the types and means of counterfeiting and how to conduct effective product authentication.
- 8.4. Certificate of Conformance – Seller shall approve, retain, and provide copies of Seller's Certificates of Conformance (CoC) for Material, which at minimum, shall include the following:
 - 8.4.1. Manufacturer name and address;
 - 8.4.2. Manufacturer and/or Seller's part description, part number and dash number, group number, or similar;
 - 8.4.3. Commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or other batch identifications; and
 - 8.4.4. Signature or stamp with title of seller's authorized personnel signing the certificate.
- 8.5. Certificate of Authenticity – Seller shall approve, retain, and provide copies of Certificates of Authenticity (CoA, which at minimum, shall include the following:
 - 8.5.1. Contract Number
 - 8.5.2. Manufacturer name and address;
 - 8.5.3. Manufacturer and/or buyer's part number and dash number, group number, or similar;
 - 8.5.4. Item Nomenclature, Quantity, Unit of Measure; and
 - 8.5.5. Actual Manufacturer CAGE Code, Design Control Activity CAGE Code;
- 8.6. Certificate of Conformance and Traceability (U.S. Department of Defense Contracts) – Applicability: This clause is applicable to all contracts for Qualified Products List (QPL) or Qualified Manufacturers List (QML) - controlled materiel, and applies: (i) regardless of the point of inspection designated in the contract award, and (ii) both to contracts awarded directly to a manufacturer listed on the applicable QPL/QML and to Sellers (e.g., distributors) not listed as approved manufacturers on the applicable QPL/QML.
 - 8.6.1. Seller shall use QPL/QML Material that is in strict conformance to the requirements set forth and/or referenced in the item description, including applicable revisions and slash sheets. Seller shall deliver a Certificate of Conformance and Traceability (CoC/T) with the information and documentation required by the applicable specification that : (i) references the contract number and includes a certification signed by the approved QPL/QML manufacturer, and (ii) if the Material is not procured directly from the approved manufacturer, all additional documentation required by the specification must be provided to establish traceability from

the QPL/QML manufacturer through delivery to the Buyer. Seller shall deliver the original and two copies of the CoC/T to the Buyer at the time of delivery.

9. Cap and Plug Utilization

- 9.1 The Parties acknowledge that: (i) foreign object damage (“FOD”) effects safety, quality and performance of Aircraft and (ii) caps and plugs (“Caps and Plugs”) are necessary for the protection of Goods during handling, shipping and storage and to reduce FOD. Seller shall utilize Caps and Plugs on Goods as it deems necessary, or as reasonably directed by Buyer. The use of Caps and Plugs shall be in accordance with SS 3995.

10. Non-Conforming Material Rejections and Charges

- 10.1. During the Inspection Period, Buyer may, with respect to any Goods that do not conform in any respect to the Order: (i) reject all or a portion of such nonconforming Goods; (ii) accept all or a portion of such nonconforming Goods with a price reduction for the cost of repair or the diminution of value; or (iii) accept any conforming Goods and reject the rest
- 10.2. Within thirty (30) days of Seller’s receipt of Buyer’s notification of a nonconformity, Seller shall investigate the nonconformity, deliver to Buyer a written report of its investigation and conclusions, and formulate a corrective action plan acceptable to Buyer. Once approved by Buyer, Seller must then timely implement such corrective action plan.
- 10.3. With respect to rejected nonconforming Goods, Buyer may at its election and at Seller’s risk and expense (i) hold nonconforming Goods for Seller, or (ii) return (Ex Works, Incoterms 2010, facility where Goods are rejected) nonconforming Goods to Seller for, at Buyer’s option, either (a) full credit or refund or (b) replacement Goods to be received within 24 hours of nonconformity notification. Title to such rejected Goods returned to Seller shall transfer to Seller upon such delivery and such Goods shall not be replaced by Seller except upon written instructions from Buyer. Goods returned to Buyer hereunder shall be shipped at Seller’s expense and risk of loss. Additionally, rejected nonconforming Goods shall not be tendered again to Buyer for acceptance unless permitted by Buyer and applicable law, and accompanied by a disclosure of Buyer’s prior rejection(s).
- 10.4. Notwithstanding any other provision, in addition to the foregoing, Seller shall be liable for Buyer’s actual costs, expenses and damages related to or arising from nonconforming Goods,
- 10.5 Notwithstanding any provision of this Order to the contrary and without limiting any of Buyer’s other rights or remedies, Seller shall pay to Buyer all damages, costs and expenses incurred by Buyer as a result of its failure to perform its duties herein. In addition, if Buyer processes a Discrepancy Record (DR), the Parties acknowledge that the costs and expenses associated with the NMRR process are not subject to exact calculation and that a charge of \$1000 may be assessed by Buyer as liquidated damages solely for processing each DR. The DR liquidated damages shall be in addition to, and shall neither be a waiver of, nor otherwise limit, Buyer’s ability to pursue, claims for other damage against Seller resulting from its failure to perform its duties herein.

11. Inspection, Acceptance, and Audit Rights

- 11.1. Seller (which, for the purposes of this Section, includes Seller’s suppliers, subcontractors and business partners) shall at any time, and after reasonable notice by Buyer, (i) grant to Buyer, Buyer’s Customers and/or to any competent regulatory authority, unrestricted access to (or if requested by Buyer, provide to Buyer copies of) Seller’s books records and documentation

(including, without limitation, inspection those pertaining to quality, and testing of Goods and Services, security and data protection procedures, ethics and compliance programs and any other requirement or obligation under the Order), but excluding financial books and records), wherever such books and records may be located (including third-party repositories and at facilities of Seller's suppliers, subcontractors, and business partners used in connection with the Order)), and (ii) provide Buyer, Buyer's Customers and/or any such authority the right to access, and to perform any type of inspection, test, audit or investigation at Seller's premises, including without limitation, manufacturing and test locations and the facilities of Seller's suppliers, subcontractors and business partners used in connection with the Order for the purpose of enabling Buyer to verify compliance with the requirements set forth in the Order or for any other purpose indicated by Buyer's Customers and/or said authority in connection with the design, development, certification, manufacture, sale, use and/or support of the Goods. Seller and its suppliers, subcontractors and business partners shall cooperate with Buyer and Buyer's Customers and/or any such authority to furnish all reasonable facilities for and assistance with the safe performance of , . Inspections, tests, audits and/or investigations in connection with any Order and Goods and Services thereunder.

- 11.2. Seller shall only tender Goods to Buyer that have passed inspection in accordance with the applicable inspection system and that otherwise conform to all requirements of an Order.
- 11.3. Notwithstanding (i) prior inspection of, (ii) payment for, (iii) use of or (iv) delivery of the Goods, acceptance shall not be deemed to occur until thirty (30) days following Buyer's receipt of Goods ("Inspection Period"). Transfer of title to Buyer shall not constitute acceptance.
- 11.4. Seller shall maintain complete inspection records for all Goods which shall be available to Buyer during performance of an Order and until the later of: (i) four (4) years after final payment, (ii) final resolution of any dispute involving the Goods delivered hereunder, (iii) the latest time required by an Order, (iv) the latest time required by applicable laws and regulations, (v) the latest time required by the SSQR-01 version effective as of the date of the Order, or (vi) as otherwise directed by Buyer.
- 11.5. Any corrective action requested by Buyer, Buyer's Customers and/or any said authority following any such inspection, test, audit or investigation shall be implemented by Seller at Seller's cost.
- 11.6. In addition to any other inspection or audit rights granted to Buyer hereunder, Buyer may inspect and audit, on reasonable notice, Seller's financial books and records if the Order: (i) is a time and material order, (ii) is a cost-based order, or (iii) provides for advance or progress payments based on costs incurred by Seller.

12. Design and Process Specification Efforts

Applicability: The following provision is applicable when (i) Seller is designing new Goods for Buyer, (ii) Seller is developing new specifications for Buyer, or (iii) Seller is creating new work instructions, assembly instructions, repair instructions or required processes for Buyer. Seller shall submit to Buyer's procurement representative a written report of materials of concern ("MOC Report") (as defined by Buyer's design requirements, Specifications, or similar requirements supplied by Buyer) that are used in the production of, or are in, products that are the subject of the design, development or processing efforts. The MOC Report shall be submitted in the format specified by Buyer prior to Buyer's Preliminary Design Review and again prior to Buyer's critical design review (or, if there are no such reviews, concurrently with Seller's submission of the applicable drawings, specifications and/or instructions). The MOC Report shall give full details regarding the intended use of any materials of concern. Seller shall cooperate with Buyer to consider other alternative materials as discussed at design reviews.