

KAP Manufacturing Quality Clauses

General Requirements

KQ-101

Acceptance at Destination - Items ordered under KAP Manufacturing purchase order are subject to final acceptance at destination.

Right of Entry / Access - Supplier must allow KAP Manufacturing, KAP Manufacturing's Customers, and Regulatory Authorities' access to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

Sampling Inspection: When the Supplier uses sampling inspection as a means of product acceptance, the plan must be statistically valid and appropriate for use. The plan must preclude the acceptance of lots whose samples have known nonconformities. When required by purchase order, the plan must be submitted for KAP Manufacturing approval prior to use.

Flow-Down To Sub-Tier Suppliers - the Supplier must flow down to its sub-tier suppliers the applicable requirements of KAP Manufacturing's purchasing documents, including key characteristics where required. In addition, the seller may not exercise the right of transfer of work without prior written approval by KAP Manufacturing.

Precedence: KAP Manufacturing's purchase order must be the governing document in the event of any conflict between the PO and the requirements of any statement of work or other specification. Any apparent contradiction, inconsistency, or ambiguity not clarified by the specific statement on the PO must be resolved promptly with KAP Manufacturing's Purchasing Agent. Order of precedence must be as follows: 1. Purchase Order, 2. Statement of Work (if any), 3. Drawings and specifications.

Latest Revisions of Standards and Specifications - Unless otherwise specified by purchase order, the Supplier must furnish and certify goods and/or services to the latest revision of applicable standards and specifications. This clause applies to government, commercial, and customer specifications as required by the KAP Manufacturing purchase order. Suppliers must contact the KAP Manufacturing purchasing agent to verify latest revisions of customer specifications as required.

External Document Control - The supplier is fully responsible for and must establish procedural controls to assure all drawings and data transferred (customer or KAP Manufacturing) between their company divisions and all levels of their sub-tier suppliers will be in compliance to the applicable ITAR, MLA, MA, TAA, EAR regulations and customer contract agreements. Upon completion of the order, the Supplier must return to KAP Manufacturing any "external documents," such as drawings and parts lists, which were furnished to the supplier by KAP Manufacturing in support of the order.

Record Retention: Unless otherwise specified by purchase order, the Supplier must keep on file all inspection and test records relative to material, processes, services and parts shown on this purchase order for a minimum period of ten (10) years after the completion of the order. These records must be available for review upon request by KAP Manufacturing and / or KAP Manufacturing customers.

Control of Non-Conforming Material - Upon discovery, the Supplier must segregate and control non-conforming material to prevent unauthorized shipment of such material to KAP Manufacturing.

Notification of Non-Conforming Material - The Supplier must immediately notify KAP Manufacturing in the event of nonconforming material that cannot be reworked or replaced to purchase order requirements. The supplier must hold and quarantine the material until KAP Manufacturing renders a disposition. The disposition must be referenced on the supplier's shipping documentation with each applicable shipment.

Traceability: Regardless of the source, the Supplier must maintain material traceability from the receipt of raw material through finished product. Records of material must be identified by lot number, material type, specification (including revision), batch number, or heat number, as applicable, to provide a complete history traceable to records of acceptance.

KAP Manufacturing-Furnished Raw Material - KAP Manufacturing furnished raw material was used and no substitutions were made without written consent from KAP Manufacturing.

Supplier-Furnished Specialty Metals - In the case where specialty metals, as defined in DFARS 252.225.7014(a)(2), are furnished as raw material, the supplier must certify that the specialty metals meet DFARS 252.225.7014 Preference for Domestic Specialty Metals, Alt 1, as qualified by DFARS 225.872-1 General [Qualifying Countries], and the supplier must furnish with the shipment, as objective evidence thereof, the applicable chemical and physical test reports indicating the country where the specialty metals were melted. In the case where specialty metals are incorporated in manufactured items by the supplier (including inserts and fasteners), the supplier must certify that the specialty metals of the furnished items meet DFARS 252.225.7014 Preference for Domestic Specialty Metals, Alt 1, as qualified by DFARS 225.872-1 General [Qualifying Countries], and the supplier must maintain on file, as objective evidence thereof, the applicable chemical and physical test records indicating the country where the specialty metals were melted. The Supplier must flow down this requirement, as stated herein, to sub-tier suppliers and must allow KAP Manufacturing right-of-access to records, as stated herein.

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Special Processing - Processing was performed to purchase order requirements. Include on the certification processing specifications with revisions, test results and process parameters, as required. ("Special processing" includes, but is not limited to, heat-treating, welding, destructive and non-destructive testing, plating, and organic finishes, such as primer and paint.)

Shelf Life / DOM-DOE - Certify the date of manufacture (DOM) and the date of expiration (DOE) of the shelf life. Indicate, as applicable, the cure date and any special handling or storage requirements for the material (such as minimum or maximum storage temperatures). Also indicate the above information on the material containers.

Minimum Quality System - Unless otherwise specified, the Supplier must establish and maintain a minimum quality system, including calibration of monitoring and measuring equipment, to prevent shipment to KAP Manufacturing of nonconforming product.

Changes in Product or Process - The Supplier must notify KAP Manufacturing of any changes in product and/or process definition and must obtain KAP Manufacturing approval prior to incorporation into production.

Prevention of Mercury or Other Contamination - The Supplier must furnish with shipment a certification that product shipped under the purchase order was not exposed to mercury or mercury-bearing compounds except as specified on the drawing.

KAP Manufacturing's Property - Seller shall clearly mark; maintain an inventory of, and keep segregated or identifiable all of KAP Manufacturing's property and all property to which KAP Manufacturing acquires an interest by virtue of this Contract. Seller assumes all risk of loss, destruction or damage of such property while in Seller's possession, custody or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide KAP Manufacturing with adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of this Contract without KAP Manufacturing's prior written consent. Seller shall notify KAP Manufacturing's Authorized Procurement Representative if KAP Manufacturing's property is lost, damaged or destroyed. As directed by KAP Manufacturing, upon completion, termination or cancellation of this Contract, Seller shall deliver such property, to the extent not incorporated in delivered Goods, to KAP Manufacturing in good condition subject to ordinary wear and tear and normal manufacturing losses.

Counterfeit Parts - Is an unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.

Examples of a counterfeit part can include, but are not limited to, the false identification of marking or labeling, grade, serial number, date code, documentation, or performance characteristics.

Prevention of Counterfeit Parts - The organization shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part(s) use and their inclusion in product(s) delivered.

NOTE: Counterfeit part prevention processes should consider:

- Training of appropriate persons in the awareness and prevention of counterfeit parts.
- Application of a parts obsolescence monitoring program.
- Controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved Sources.
- Requirements for assuring traceability of parts and components to their original or authorized manufacturers;
- Verification and test methodologies to detect counterfeit parts.
- Monitoring of counterfeit parts reporting from external sources.
- Quarantine and reporting of suspect or detected counterfeit parts.

Awareness - The organization shall ensure that person (s) doing work under the organization's control is aware of their contribution to product or service conformity, their contribution to product safety and the importance of **Ethical Behavior**.

KAP Manufacturing Quality Clauses

Specific Requirements

- KQ-102** **Certificate of Conformance** - The Supplier must furnish with each shipment a certificate stating that the Item (s) furnished meet all applicable purchase order, drawing, and specification requirements. The certificate must include, as a minimum, the applicable KAP Manufacturing purchase order number, part number or material specification number and revision, quantity, and the date and signature of an authorized Quality representative of the Supplier.
- KQ-103** **Test Reports** - Material conforming to purchase order requirements was used. Furnish chemical and physical test reports with shipment.
- KQ-104** **CUSTOMER APPROVED SOURCES** - Must use KAP Manufacturing approved sources, for specific customer approved sources (e.g., Boeing, ULA, Northrop, etc.), contact KAP Manufacturing.
- KQ-105** **ISO-10012:2003 Calibration** - System requirements are imposed.
- KQ-106** **ISO 9001: Current Revision or Equivalent** - Quality Management Standard is imposed (AS9100 or AS9003)
- KQ-107** **ISO 9002 or Equivalent** - Quality Management Standard is imposed until 12/15/2003, after this date KQ-106 applies.
- KQ-108** **Model Based Definition (MBD)** - Boeing specification D6-51991 and / or Northrop Grumman SQ & TP 0120 3/23/04 Quality Assurance Standards for Digital Product Definition at Boeing Suppliers and/ or Northrop Grumman is imposed.
- KQ-109** **Supplier Proprietary Products** - The supplier must furnish a copy of the applicable specification, drawing, and/or catalog pages with the initial shipment of product to support KAP Manufacturing's receiving inspection. The Supplier's documents will be used only for inspection activity and will not be released to any party outside of KAP Manufacturing without the Supplier's permission. The Supplier must furnish new copies of these documents each time they are revised, sending these revised documents with the initial shipment on which they apply.
- KQ-110** **First Article Report** - The Supplier must perform a complete first article inspection of the items ordered and document the results on a suitable report, which is to be furnished with the initial shipment of each individual part number. The report must include at a minimum; the part number and revision letter, the KAP Manufacturing purchase order number, a listing of each characteristic inspected (must agree with the scope of work indicated on the purchase order), and the actual results recorded as variable data. Where variable data is not available, as with the use of "go/no-go" gages, the report must indicate the pass/fail results of the applicable characteristics. The Supplier must submit a new first article report when any of the following occurs: 1. A change in design affecting fit, form, or function (in this case, the new first article report need only address the design changes); 2. A change in manufacturing location, tooling (including relocation), materials, or processes; 3. When required as part of a corrective action; 4. When a lapse in production of 24 months or as specified by KAP Mfg. 5. A natural or man made occurrence, which may adversely affect the manufacturing process.
- KQ-111** **Final Lot Inspection Report** - The Supplier must perform a final lot inspection of the items ordered and document the results on a suitable report, which is to be furnished with each shipment of each individual part number. The report must include at a minimum, the part number and revision letter, the KAP Manufacturing purchase order number, a listing of major characteristics inspected, including any "key" characteristics indicated on the purchase order or drawing (must agree with the scope of work indicated on the purchase order), and the actual results recorded as variable data. Where variable data is not available, as with the use of "go/no-go" gages, the report must indicate the pass/fail results of the applicable characteristics. "Major characteristics" are those that define major surfaces, holes and other features on the part, and usually exclude minor features such as fillet or corner radii, chamfers, basic dimensions, etc. For guidance on which dimensions to include, the Supplier may contact KAP Manufacturing's Quality Assurance department.
- KQ-112** **Certified Calibration Report** - The Supplier of calibration services must furnish with shipment a certificate of calibration, including at a minimum: A description or identification of the item being calibrated, the date of calibration, calibration due date, calibration method or procedure, the environmental condition under which the calibration was performed, in-tolerance / out-of tolerance condition, calibration results for each equipment parameter [defined as variable data (actual measurements) or attribute data (pas/fail) as applicable], identity of reference standards used, and traceability to national or international standards (such as NIST). A statement attesting to measurement traceability and to the fact that calibration services were performed in compliance with one or more of the following: ISO 10012, ISO/IEC 17025, ISO ANSI/NCSL Z540, and / or formal MIL-STD-45662A.
NOTE: The Certificate of Calibration must be signed and dated by an authorized supplier representative.
- KQ-113** **Early Delivery Authorized** - Accelerated delivery to the greatest extent possible in advance of the specified delivery schedule is desired. Any accelerated delivery will be at no additional expense to the KAP Manufacturing. In accordance with the schedule clause of this contract, KAP Manufacturing authorizes and encourages Seller to deliver the goods earlier than the scheduled delivery dates, this contract also includes the dates on which the KAP Manufacturing actually needs or requires the goods to be delivered.
- KQ-114** **Early Delivery Not Authorized** - The Seller is prohibited from effecting shipment in advance of the need dates identified in the Purchase Order (PO) without prior written consent of the KAP Manufacturing via Purchase Order Change (POC).

KAP Manufacturing Quality Clauses

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Unauthorized Material Substitution (General)

Unauthorized material substitutions are not permitted on KAP Manufacturing's Goods. Unauthorized material substitution includes any deviation from the engineering definition of a raw material. Engineering definition includes KAP Manufacturing design drawing and applicable specifications, product specification, form, size, shape, chemistry, melt method, origin, temper/condition, product testing or surface finish.

Metallic Materials (Specific)

Reports (Full Pedigree from melt to final product) - Raw material certifications shall show clear traceability to the manufacturer(s) of the raw material including ingot source, all thermo-mechanical processing (i.e. forging, rolling, drawing, etc), heat treatment, chemical processing and inspections as required by applicable raw material specification requirements.

Chain of Custody (Disguising intermediate ownership) – Suppliers shall not disguise the pedigree of material or chain of ownership by removal of a previous supplier's name, nomenclature or identification.

Temper or Condition Conversion - Unless specifically authorized by the engineering definition, conversion of a raw material (i.e. heat treat to change the temper or condition of the material) constitutes material substitution of the condition provided by the manufacturer.

Metallic Raw Materials – KAP Manufacturing's engineering drawings may refer to obsolete or superseded specifications covering several forms, thicknesses, widths, etc. of the alloy or alloys. The required characteristics of these materials are defined not only by the objective test standards of the specification, but by the processes/methods by which this final form is achieved. These requirements are often captured in the definitions of the required material forms, and may not be explicitly called out in the detailed requirements. The raw material certification results from both the process used to make it and the tests to verify basic properties.

Seller shall ensure that metallic materials covered by current or obsolete/superseded specifications are produced using the standard industry practices designed strictly for the production of stock to the specified thickness, diameter, width or cross sectional area, achieved by thermo-mechanical processing or casting process. Chemical, electrochemical and mechanical methods used for the removal of surface scale or contamination, or the production of the required surface finish, in accordance with the material specification are acceptable. Raw material must not be re-certified with respect to thickness, diameter, and width or cross sectional area or product form. Machining or cutting of thicker product or other product forms shall not be supplied in lieu of specified product unless specifically authorized by KAP Manufacturing. Raw material certifications for material or parts shall reflect the form and size of the raw material as originally manufactured by the raw material

Change Notification - Seller agrees to advise KAP Manufacturing of any change, initiated by Seller, to the design, form, fit, or function of the goods furnished under the set contract provided by KAP Manufacturing. Furthermore, any change involving a substitution of material, changes in Seller's manufacturing and/or acceptance processes, or changes in manufacturing location will be submitted immediately in writing to KAP Manufacturing for processing and review. KAP Manufacturing will notify Seller of acceptance, rejection, or other status of such changes. In no event will Seller incorporate such changes prior without KAP Manufacturing written approval.

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Source Inspection - As required, KAP Manufacturing inspection will be imposed at seller's facility. Evidence of such inspection shall be indicated on the shipping report accompanying each shipment. Goods ordered by this purchase order/contract are subject to KAP Manufacturing inspection prior to assembly and throughout all assembly, processing, and testing operations. KAP Manufacturing Quality Assurance will establish and coordinate the mandatory KAP Manufacturing inspection points. Seller shall notify KAP Manufacturing Quality Assurance at least five days prior to processing or manufacturing in conjunction with this purchase order/contract.

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Material match – Purchase order requires material to originate from same Heat/Lot/Batch.