

<b>Title:</b>	<b>Dynamic Fabrication Inc. Quality Clauses</b>
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<b>Department:</b>	<b>Quality</b>

## Document Approval

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<i>Approved Version:</i>	<i>B</i>
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## Revision/Change Record

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Version	Description	Date
A	Initial Release	3/4/2019
B	Q1A Added ISO9001 acceptable, Q2 Added Supplier to notify DFI before destroying records, Q13Rewrote, Q19 Added supper responsibility to plan, implement and control	5/5/2019

## Dynamic Fabrication Inc. Quality Clauses

### 1. Definitions

DFI: Dynamic Fabrication Inc.

PO: Purchase Order.

Purchaser: Dynamic Fabrication Inc, in this Subcontract

Services: Services identified in this Subcontract, which may be changed, from time to time by the mutual written agreement of the parties.

Subcontract: Purchase Order, Subcontract, or Contract, these General Terms and Conditions, and any special conditions appended hereto or documents incorporated herein.

Supplier: Organization providing services or product.

### 2. Scope:

This document establishes the quality requirements for products (materials, parts, hardware, etc.) processes and/or services purchased by Dynamic Fabrication Inc. (DFI). Supplier is responsible to comply with applicable DFI Quality Clauses and all requirements set forth in the contractual document. The Supplier is responsible to flowdown to their supplier(s) applicable Quality Clauses and requirements including DFI's Customer requirements. In the event any of the requirements specified cannot be met, the supplier shall notify the DFI Purchaser immediately.

Compliance with these requirements does not reduce the supplier's responsibility for furnishing products, processes, and/or services that fully comply with all Drawing(s) and Specification(s) requirements; nor does it guarantee acceptance of products, processes, and/or services. If items are found to be defective and cannot be demonstrated by the supplier to be in conformance with the purchase order requirements, DFI shall have the right to reject them.

### 3. Quality Assurance Terms and Conditions

**Q1A Quality Management System:** Supplier shall maintain an AS9100 / ISO9001 (latest edition) certification or equivalent Quality Management system (QMS). The QMS/certification shall be employed by the supplier throughout all purchase order/contract phases. The QMS and QA Program may be subject to review and approval by DFI.

**Suppliers Sub-tier supplier management:** The supplier shall perform evaluation and selection of any Sub-Tier suppliers based on the ability to supply product or service which is compliant to the buyer's requirements. Minimum criteria for this evaluation and selection shall be established, including periodic review, to demonstrate the sub-tier supplier's ability to provide conforming material or service and mitigate risk to the customer. Records of this evaluation and review shall be maintained in accordance with the document retention defined in section Q2 of this document.

**Q2 Records & Retention:** The Supplier shall maintain on file all quality data and records such as: certificates of material and/or processes, acceptance/rejection test reports, inspection records, and other applicable quality control data for a minimum of TEN (10) years after closure of this purchase order. These records shall provide objective evidence of the quality assurance operations performed to permit traceability of the delivered item and its constituent parts and materials through the initial procurement records. All quality control documents must be readily retrievable and made available to DFI, its customer or regulatory authorities upon request. Supplier must notify DFI for approval before destroying any quality records pertaining to DFI.

**Q3 Product Control Plan:** All manufacturing and process operations must be documented in a written procedure (work orders, travelers, or planning) for each lot of parts produced or processed. The Written Procedure must incorporate the identification of revision status of specifications, drawings, and process. If no revision is specified use the most recent revision for all specifications, in addition to any special requirements, critical items, or key characteristics documented

on DFI's purchase order. The Written Procedure Shall provide documentation of the controls in place to ensure manufacturability, quality and compliance. The written Procedure shall delineate the sequence of production operations to be performed, the points for quality controls to be performed, and the types of inspections or verifications performed. The Written Procedure shall include reference to the control methods, procedures, and inspection instructions used in manufacturing or process performed. Upon request Supplier is to provide DFI with the manufacturing or process Written Procedure. Once a procedure has been utilized to produce or apply a process whether submitted to DFI or not, changes to the original procedure that affect the finished product must be submitted to DFI in writing for approval.

**Q4 Product Nonconformance:** Supplier must promptly notify DFI's purchaser of Items, products or material not conforming to requirements of the Purchase order by email with the following:

- Purchase Order number and line item number
- Part number(s) and all associated serial number(s) and/or lot number(s)
- Quantity
- Specific description of nonconformance (i.e., "should be" and "is" condition) with reference to applicable engineering documentation
- Name of supplier's Quality personnel involved in the collection and reporting of the information

Cost associated with submitting non-conforming product to DFI, its customers, or other involved parties will be the responsibility of the Supplier. All non-conforming parts/material must be identified individually, identified on the packing list as non-conforming and returned to DFI.

**Q5 Right of Entry:** At times it may be necessary for DFI, DFI's customers, and regulatory authorities to visit the Supplier and/or their suppliers for the purpose of verifying contract compliance and product conformity and records related to the contract. Arrangements for such visits will be coordinated with the Supplier.

**Q6 Control of Changes:** Supplier shall not implement any change in product, design, or process that would affect the part or any component hereof without prior written approval from DFI.

**Q7 Control of Digital Data:** The Supplier is required to maintain a process for the control and use of the digital datasets that either meet or exceeds DFI's current standard of NIST 800-171.

**Q8 Supplier Notice of Change:** The Supplier shall notify DFI prior to changes to:

- The Suppliers management (ownership)
- Location of machining (plant location)
- Supplier part configuration (design, shape or function)
- Processes used
- Their Suppliers

**Q9 First Article Inspection:** The Supplier shall perform and submit a First Article Inspection and provide documentation in accordance with current version of SAE AS9102. The First Article Inspection Report (FAIR) must include all blueprint notes and dimensions. The supplier must use the FAIR forms contained within the SAE AS9102 specification and an itemized drawing must be included. The complete FAIR must accompany the part(s) shipment. The supplier shall tag or otherwise non-evasively identify the part(s) used for the FAI and submit with shipment. Q9 only applies if specified on the PO.

**Q10 Government Source Inspection:** Government inspection is required prior to shipment from the Supplier's facility. The Supplier shall contact the DFI purchaser to arrange inspection prior to the delivery date specified on the PO. Q10 only applies if specified on the PO.

**Q11 Certificate of Conformance:** Supplier must submit a Certificate of Conformance with a unique certification number containing the following information:

- Name and address of the supplier
- Purchase order and purchase order part number

- Title and Specification Number (including revision) of the process
- Quantity of parts (to include quantity accepted/rejected)
- Supplier assigned Lockheed processor number if required
- Date the C of C was issued
- Signature and title of authorized quality agent of Seller: and
- Fracture durability classification or serialization when required
- A statement of conformance on the packing slip, separate document or invoice

**Q12 Raw Material Test Reports:** Items under this purchase order shall individually be traceable to test results of raw material. Raw material certifications shall be identified by lot number as well as material type, specification, and heat number and must be traceable to records of acceptance.

The supplier shall submit the Mill Test Report (MTR) including chemical and/or physical requirements and results per the applicable specification for the materials/lots shipped under the order.

If the purchase order requires Domestic material, the supplier agrees to only deliver material melted in the United States. If purchase order requires DFARS material the supplier agrees only to supply material in accordance with Defense Federal Acquisition Regulation Supplement.

**Q13 Control of Special Process:** Special process suppliers are responsible for compliance to the applicable specifications, whether the operation is performed within their facility or by subcontractors. The requirements of DFI's purchase order shall be flowed down to the Subcontractors with all process and product details identified including special requirements, critical items, DPAS and key characteristics. Special processes shall be performed by End Users (process specification owner) approved sources.

A legible and reproducible copy of special process certifications (brazing, heat treat, NDT, plating, finishing, etc.) shall accompany each shipment of products or services. Certifications are to include all specifications listed in the order of sequence and the date performed. Specific (part number) approval numbers shall be referenced on process certifications and /or Certificate of Conformance.

When specified on the purchase order, Nadcap accredited suppliers must be utilized unless written permission is granted prior to the initiation of special process activities.

**Q14 Foreign Object Debris (FOD):** Supplier Shall maintain an effective FOD program that identifies potential problems, mitigates risk, promotes awareness, provides effective employee training and lessons learned to control and eliminate Foreign Object Debris (FOD) or other contamination during Supplier's (or Supplier's sources) operations affecting this PO.

**Q15 Shelf Life Materials:** The Supplier provides the manufacturing date shelf life, and expiration date for all limited shelf life items under this order. All items shall have 75% or more of their shelf life remaining at the time of shipment to DFI. All items shall be packaged, labeled and transported per their applicable regulatory requirements.

**Q16 Calibration System Requirements:** The supplier and their sub-tier suppliers shall be responsible for providing and ascertaining the correctness of tools, gages, and test equipment. The calibration system shall comply with ANSI/NCSL Z540.1 to ISO/IEC 17025:20. Records of calibration shall be available for review upon request.

**Q17 Counterfeit Prevention:** Supplier shall establish a program to eliminate the risk of introducing both counterfeit electronic parts as well as non-electronic parts and materials. This includes:

- Identification, mitigation, detection, and avoidance techniques, and reporting of suspect or confirmed parts, assemblies, and/or materials;
- Training for the detection and prevention of counterfeit parts.

The supplier shall establish and maintain a counterfeit parts prevention and detection process that meets the intent of the industry standard, as applicable.

Suppliers, distributors or brokers that supply electrical/non-electrical standard parts, hardware, Etc. must have a certification from the Original Component Manufacturer, Original Equipment Manufacturing, and the certification shall be delivered with each Lot/Shipment.

**Q18 Traceability/Lot and Batch Control:** Supplier shall maintain lot and batch control of products, processes, and/or services be purchased items through use of lot, batch, serial number, or date of manufacture, as applicable for all items in the shipment.

**Q19 Product Safety:** The supplier shall plan, implement, and control the processes needed to assure product safety during the entire product life cycle, as appropriate to the organization and the product provided and or manufactured for DFI.

**Q20 Flow down Requirements:** All material furnished, or processing performed, by a sub-tier supplier under this purchase order must be approved by DFI or by the Prime Contractor identified on the face of this contract. Supplier is required to flow down the requirements of this purchase order, including terms and conditions, to the supplier's subcontractors. Flow down of Special Requirements, Key Characteristics, DPAS and Critical items are required when specified on the face of the DFI purchase order. Standard hardware must be in accordance with specifications required.

**Q21 Mercury Exclusion:** Products furnished under this purchase order shall contain no metallic mercury compounds and shall be free of mercury contamination. The supplier shall furnish a signed statement of conformance to this requirement. The statement can be included within the supplier's certification of conformance.

**Q22 Ethical behavior:** The supplier shall ensure that persons doing work under the organizations control are aware of the importance of their contribution to product or service conformity, product safety and the Importance of ethical behavior.

**Q23 Packaging and Shipping:** Supplier shall prepare and package the goods to prevent damage or deterioration and shall use best commercial practice for packing and packaging of items to be delivered under this Subcontract, unless otherwise specified in the Subcontract.