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June 17, 2013
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Seller Quality Requirements

The latest issue to this document is the version that is available on the Lockheed Martin Logistics Services Supplier Quality Management website:
<http://www.lockheedmartin.com/us/suppliers/bu-info/aeronautics/sustainment-services.html>

Summary of Changes: Added paragraph 1(i) requirement for work instruction revisions.
Paragraph 2 (c) requirements added for sampling inspection plans.

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The terms “Item(s)”, “PO”, “Seller”, and “Buyer” as used herein, have the same meaning as the terms “Work”, “Contract”, “Seller”, and “Lockheed Martin”, respectively.

Questions regarding QA022-01 or the applicability of QA022-01 shall be addressed to Lockheed Martin’s Supply Chain Management Representative (Buyer) who administers this PO.

Copies of Aerospace Standards (AS/EN documents) from the Society of Automotive Engineers may be obtained at www.sae.org.

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Seller Quality Requirements

1) Quality Requirements:

Seller shall meet the requirements of the latest revision of QA022-01 and all applicable requirements therein in effect as of the date of this PO. Seller shall:

- a) ensure all applicable QA022-01 requirements herein and other quality requirements in this PO are imposed upon Sellers and manufacturing facilities at all tiers working on Buyer's product; and
- b) maintain an AS, ISO or Military Standard equivalent quality system acceptable to Buyer. Third party registration of an ISO/AS/EN Quality Management System, from an ANSI-ASQ National Accreditation Board (www.anab.org) approved registrar, is preferred
- c) Buyer approved distributors, defined as any Seller buying items from other suppliers and selling those items to Buyer without adding value to the items, should be compliant to AS9120, as a minimum Quality Management System.
- d) Buyer approved Maintenance Repair Overhaul (MRO) facilities, which perform the overhaul, repair, inspection, replacement, and/or modification of an aircraft or an aircraft component after completion of manufacturing and initial airworthiness certification by the applicable Authority, should be compliant to AS9110, as a minimum Quality Management System.
- e) ensure its quality system is compliant with a currently maintained and published consensus industry standard quality system specification as appropriate to the Seller's activities
- f) ensure compliance to all quality requirements identified elsewhere in this PO
- g) maintain Internet access for obtaining requirements of this PO; and
- h) ensure all applicable quality requirements are imposed upon sub-tier suppliers
- i) All work accomplished to fulfill this purchase order requirement shall be performed in accordance with the revision in effect as of the date of this PO regarding drawings, specifications, technical data and other applicable product requirements.

2) Supplemental Quality Requirements

- a) Quality Notes identified in this PO under Item Text define unique and specific requirements relevant to the item(s) being procured.
- b) The Seller may obtain definitions for Quality Notes, e.g. C001, C003, MP08, etc, referenced in this PO from Buyer's website at:
<http://www.lockheedmartin.com/us/suppliers/bu-info/aeronautics/sustainment-services.html>.
 - i) Select the hyperlink titled Sustainment Services Quality Clauses.
- c) Sampling: Unless specific requirements relevant to sampling plans are denoted in this PO, Seller shall have the right to use sampling plans, provided the sampling plans are in

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accordance with existing industry, military or Government standards, or have been prior approved in writing by Buyer.

3) Quality System Changes & Relocation:

Seller shall notify Buyer's Supplier Quality Engineer, in writing, within 10 days of any of the following:

- a) change in its quality system status; or
- b) loss of third party registrar's certification status; or
- c) change in Seller's quality organization, process or procedures that affects conformity of any Item; or
- d) adverse action taken by Seller's customer, the Government, and regulatory agencies to include any of the following:
 - i) Issuance of a Level II Corrective Action Request (CAR) associated with Buyer Items
 - ii) Issuance of any Level III CAR
 - iii) Suspension of Government Source Inspection (GSI)

Seller shall notify Supplier Quality Engineer and Buyer, in writing, at least 90 days in advance of any sale, relocation, or transfer of Seller's manufacturing operations. Seller shall include the following, as a minimum, in the written notification:

- a) purpose of the relocation
- b) address of the new location(s),
- 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,
- f) master schedule and timeline of relocation activities, and
- g) relocation Coordinator/Point of Contact

4) Contract Review and Planning:

The Seller shall review the requirements related to the product. This review shall be conducted prior to the Seller's commitment to supply a product to the customer (e.g. submission of tenders, acceptance of contracts or orders, acceptance of changes to contracts or orders) and shall ensure that:

- a) product requirements are defined
- b) contract of order requirements differing from those previously expressed are resolved
- c) the Seller has the capability to meet the defined requirements

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- d) contractual requirements are reviewed so that special requirements of the product are determined (e.g., scope of work, technical data, delivery requirements, requirements regarding subcontracting of work)
- e) risks (e.g., new technology, short delivery time frame) have been identified

5) Language:

Upon request by Buyer, Seller shall provide all Seller records, reports, specifications, drawings, inspection and test results and other documentation in English.

6) Training:

Seller shall ensure that its personnel have the required training and experience appropriate with the requirements necessary for the performance of this PO.

7) Government/Industry Data Exchange Program (GIDEP) Membership:

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

8) Counterfeit Parts / Material Prevention:

- a) Seller shall establish and maintain a Counterfeit Parts / Material Prevention and Control Plan using AS5553 (Ref. requirements Section 4) and/or AS6174 (Ref. requirements Section 3) to ensure that Counterfeit Work is not delivered to Buyer. The purpose of Seller's Plan shall be to develop a robust process to prevent the delivery of counterfeit commodities and control commodities identified as counterfeit.
- b) Purposes of this clause, Work consists of those commodities delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, standard hardware, goods, raw materials and assemblies).
 - i) "Counterfeit Work" means Work that is, or contains, items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable.
- c) Seller shall only purchase products to be delivered or incorporated as Work to Buyer directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM); OCM/OEM authorized distributor chain, Aftermarket Manufacturer, or Authorized Reseller. These products shall have verification that Work is traceable to OCM/OEM; OCM/OEM authorized distributor chain, Aftermarket Manufacturer, or Authorized Reseller that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product for the Seller.
- d) Work can only be acquired from independent distributors or brokers in cases of diminishing material supply (DMS) or obsolescence and shall be subjected to a screening process appropriate to the commodity in accordance with the Counterfeit Parts / Material Prevention and Control Plan. If traceability is not obtainable, written

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notice shall be provided to the Buyer prior to delivery with records of evidentiary tests and inspections performed and conformance of the product to specified acceptance criteria that ensures verification activities taken to assure authenticity. Written notice is not required for raw material and standard hardware purchased from independent distributors or brokers, but products must be able to provide commodity level traceability to the Original Manufacturer.

- e) Seller shall notify Buyer in accordance with section 15 (d) (e) with the pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work. Seller shall provide to Buyer, upon request, the supply chain traceability to an Original Manufacturer or authorized distributor chain that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product for the Seller.
- f) Seller shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Buyer.
- g) 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.

9) Records:

Seller shall:

- a) maintain complete records of the following:
 - i) all manufacturing, inspection, test, CoC, and shipping; and
 - ii) process capability or tooling controlled per TMS-MC-015, if applicable; and
 - iii) all nonconforming material, dispositions, assignable causes, corrective and preventive actions, and effectiveness of corrective actions; and
- b) make records available for at least three (3) years after completion of this PO or for longer periods if specified elsewhere in this PO; and
- c) maintain records of all QCS-001 "Work" performed and/or procured for at least seven (7) years after completion of this PO or for longer periods if specified elsewhere in this PO; and
- d) upon Buyer's request, forward records to Buyer at no additional cost, price, or fee to Buyer

10) Buyer-Certified Materials:

Seller shall establish and maintain controls to prevent the use of noncertified materials when Buyer-certified materials (e.g. Engineering Materials and Approved Products [EMAPs]) are required.

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11) Calibration:

Seller shall maintain a documented calibration system for the calibration and maintenance of tools, jigs, inspection and test equipment. Seller shall have and maintain a calibration system compliant to ISO 17025, ISO10012-1, or ANSI Z540.

12) Buyer-Furnished, Seller-Manufactured or Seller-Owned Tooling:

a) 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.

b) Seller shall comply with the requirements of Buyer's tooling manual (TMS-MC-015).

Access to this manual can be found on the Supply Chain Management Home Page at <http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html> under Quality Requirements, Control Specs.

13) Point of Acceptance:

a) Unless otherwise specified (reference Quality Notes identified in PO Item Text) Buyer point of acceptance is destination.

b) The point of acceptance is indicated on each PO issued. 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 and/or Seller's sub-tier suppliers. The location of performance of Buyer acceptance, prior to shipment, shall be the Seller's facility address referenced on Buyer's PO.

14) Facility Access:

a) Seller shall provide or obtain for Buyer, Buyer's customers and regulatory agency personnel, access to all facilities where work is being performed or is scheduled to be performed, including those facilities of Seller's 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's denial of any such access may result in inactivation of Seller's approval. Seller shall include the provisions of this facility access requirement in its POs with its subcontractors, for this PO.

b) Seller shall provide the following, at no increase in price, cost or fee to Buyer, Buyer's customers or regulatory agencies:

i) suitable facilities at Seller and Seller's subcontractors' manufacturing locations for Buyer, Buyer's Supplier Quality Engineer, Buyer's customer and regulatory agency representatives to perform Item inspections, surveys or system/process surveillance, and

ii) Buyer's Supplier Quality Engineer with high speed internet access (DSL or wireless).

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15) Corrective Action, Preventive Action, Request and Reporting:

Seller shall:

- a) 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 non-conformances; and
- b) QMS shall ensure that non-conforming material is not used for production purposes
- c) records of all nonconforming material, dispositions, assignable causes, corrective actions, and effectiveness of corrective actions for the period specified in this PO
- d) evaluate each nonconformance for its potential to exist in previously produced Items and notify Buyer, in writing, within 24 hours of potential or verified non-conformances impacting flight safety on Items in transit or delivered to Buyer; and
- e) notify Buyer in writing within 5 working days of all other potential or verified nonconformance's
- f) provide effective corrective and preventive action upon request by Buyer and, when requested by Buyer, provide trend data; and
- g) assess all Buyer identified nonconformance(s), whether or not Item(s) was/were returned to Seller, and take appropriate actions to ensure causes of nonconformance are corrected. Seller shall notify Buyer of actions taken to prevent recurrence by completing Quality Notification (QN);
- h) perform the following actions when Seller has tested any returned Item and Seller cannot verify a Buyer reported non-conformance:
 - i) contact Buyer for additional verification testing and disposition
 - ii) not return non-verified failure Items unless authorized by Buyer

16) Control of Nonconforming Product / Material Review Process:

- a) Buyer and Buyer's customers have the right to refuse to accept any and all Seller nonconformance's.
- b) Seller shall ensure Seller's quality system has capability to report nonconformance(s) on Critical Safety Item (CSI) in full compliance with Defense Federal Acquisition Regulation Supplement (DFARS) 252.246-7003.
- c) When Buyer's customer has delegated oversight/surveillance of Buyer's work to a cognizant Government representative at Seller's facility, Seller shall submit all material review dispositions for Buyer-related work to the cognizant Government representative, regardless of ownership of design and regardless of tier level for concurrence.
- d) Buyer has the right to limit or eliminate Material Review (MR) processing on work defined by this PO.

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- e) MR for Seller designed or Buyer-designed Items is not applicable to Buyer-Furnished Equipment (BFE). BFE is equipment or Items provided to Seller from Buyer; therefore not procured or built by Seller.

Seller's continued processing, prior to obtaining Buyer's MR disposition, of any nonconforming BFE shall be at Seller's risk. Seller shall request Buyer MR Disposition of BFE.

- f) For Seller-designed Items, Material Review dispositions are limited to non-conformances that do not affect a parameter controlled by Buyer drawing or specification, where form, fit or function, interchangeability, Critical Safety Characteristic (CSC) related to Critical Safety Item (CSI) service life or reliability is affected. Seller shall submit requests for recommended disposition of non-conformances, if any, affecting any such parameter(s) to Buyer for Major Variance approval as defined in this PO.
- g) For Buyer-designed Items, Seller MR Process 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.
 - i) When Buyer has delegated MR to Seller for Buyer-designed Items, Seller's process shall be limited to the scope provided in the MR delegation.
 - ii) Seller's request for Buyer MR Disposition of Seller or Buyer-designed Items shall be submitted to the Buyer.
- h) When requested by Buyer, Seller shall provide Buyer's Supplier Quality Engineer with Seller's MRB disposition information related to Buyer's Item(s).

17) QCS-001 Requirements for Buyer-Designed Items:

- a) QCS-001 sets forth both the process sources and the processes that require Buyer approval, prior to use for Items delivered to Buyer. A controlled process is an operation performed on an Item where the operation cannot be readily verified subsequent to its conclusion. Controlled processes have verifiable controls inherent to the process, e.g. heat treat, plating, nondestructive testing, etc.
- b) Seller and Seller's sub-tiers shall meet all requirements of the latest version of QA022-02 in effect as of the date of this PO when Seller or Seller's sub-tiers are performing any Buyer controlled process identified in QCS-001.

NOTE: Sellers providing perishable tooling and Tool Service Requirements List (TSRL) Items are not required to use QCS-001 approved process sources or provide QCS-001 Quarterly Usage Reports

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- c) Seller's utilization of Buyer-approved 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.

18) QCS-001 Requirements for Seller-Designed Items:

- a) Seller has the authority and responsibility to approve and control its special processing sources including in-house processes. Seller is not required to use those sources or specifications listed in QCS-001.
- b) Buyer shall have the right to withdraw Seller's authority to approve both internal and external special processes and special process sources. If such authority is removed the Buyer may direct Seller at no increase in price, cost or fee to Buyer to use only those sources listed in QCS-001 and also meet all of the requirements of QA022-02.
- c) Buyer is not be obligated to add any additional special process source or specification to QCS-001 as a result of a Seller's authority to approve special process sources being removed.

19) Maintenance, Repair, or Overhaul Activities: (Including Alternate Repair Sourcing)

This section is applicable to Sellers performing Maintenance, Repair, or Overhaul Activities on Non-OEM product. and/or Original Equipment Manufacturer (OEM) organizations with maintenance, repair and overhaul operated "autonomously" from their manufacturing/production operations.

a) Subcontracting of Repair Items:

Sellers receiving Purchase Orders for repair Items shall perform repair at Seller's facility. Subcontracted work related to tear down, repair, re-assembly, and functional test of the end item or detailed components is prohibited unless authorized in advance by Buyer.

b) Capability list:

- i) Seller shall only have authority to perform repairs Items for which it has demonstrated capability.
- ii) Seller may perform maintenance, preventive maintenance, or alterations on an article if the article is listed on a current capability list.
- iii) The capability list must identify each article by make and model or other nomenclature designated by the article's manufacturer.
- iv) If the article is not listed on its current capability list but can be qualified by similarities, Seller shall perform a self-evaluation to determine that it has all of the housing, facilities, equipment, material, technical data, processes, and trained personnel in place to perform the work on the material. The Seller shall retain on file documentation of the evaluation.
- v) Personnel authorized to approve changes to capability list shall be identified.

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c) Data Requirements:

Seller shall maintain the documents and data required for the performance of maintenance, preventive maintenance, or alterations. The following documents and data must be current and accessible when the relevant work is performed:

- i) Maintenance manuals,
- ii) Overhaul manuals,
- iii) Standard practice manuals,
- iv) Service bulletins,
- v) Airworthiness directives,
- vi) Instructions for continued airworthiness, and
- vii) Other applicable data acceptable to or approved by Buyer

d) Equipment, Tools and Materials

- i) Seller shall have the equipment, tools, and materials necessary to perform the maintenance, preventive maintenance, or alterations for all items list its capability list.
- ii) The equipment, tools, and material must be those recommended by the manufacturer of the article or must be at least equivalent to those recommended by the manufacturer.
 - (1) The equipment must be capable of performing all necessary tests and checking all required parameters of the articles. The level of accuracy should be equal to or better than that recommended by the manufacturer of the equipment/tools.
 - (2) To determine equivalency of equipment, tools, and/or materials, the Seller shall compare the technical requirements of the proposed equipment, tools, and/or materials previously required by the manufacturer.
 - (3) If the Seller will be using equipment, tools, or materials other than those recommended by the manufacturer, the Seller shall obtain approval from the Buyer.