

**QUALITY CLAUSES
APPLICABLE TO ALL PURCHASE ORDERS**

QC-1 Right of Access by the Purchaser

KD Precision, its customers and/or regulatory agency shall be allowed right of access to visit supplier's facilities at any level of the supply chain to monitor the items being manufactured/processed for KD Precision to determine and verify the quality of work, records and material(s). KD Precision will provide advance notification of such visits, whenever possible to avoid disruption of planned schedules.

QC-1.2 Record Retention

A.) Record Retention

Records must be maintained on file for a minimum of seven (7) years beyond the termination of the contract. In the event our customer contract specifies otherwise, KD Precision shall specify the required record retention on purchase order.

B.) All requirements for record retention must be flowed down to any sub tier vendor/supplier participating in the completion of this purchase order.

C.) Record Retention

If required by customer and or contract program vendor/supplier shall maintain for as long as required by purchase order (e.g. Fracture/durability critical designation require a record retention time of twenty (20) years beyond the termination of the contract F-35 parts require a retention time of thirty (30) years beyond the termination of the contract.)

D.) Record Retention

Records must be legible, identifiable, retrievable and available to KD Precision Machining Inc.'s, customer, the customers' customer and regulatory agencies.

QC-2 Only KD Precision Machining Inc., sources may satisfy this purchase order requirement.

QC-2.1 Evaluation and Validation of Personnel.

Personnel participating in completion of this purchase order shall be as a minimum, qualified and certified by the organization; the qualification and or certification method shall be periodically reviewed and renewed based on performance of personnel. Unless otherwise specified in the customer's specification or ordering data, all personnel

interpreting the NDT results of test shall be certified to at least NDT level II proficiency IAW the latest revision of MIL-STD-410 /NAS 410. Organization shall ensure that only certified and or qualified personnel participate on the completion of purchase when customer driven specifications specify such requirement.

QC-3 Change Notification and Approval

KD Precision Machining Inc., must be notified of any changes in product or process definition, supplier location, supplier management changes, etc., immediately. Approval of change must be obtained from company management.

QC-4 Special Process Control

KD Precision Machining Inc., customer approved sources required. Only sources approved by KD Precision Machining Inc., customers may be used to satisfy this purchase order.

QC-5 Calibration System

Supplier shall provide and maintain a calibration system in compliance with ANSI-Z540-1, ISO 10012-1, ISO 17025 or equivalent. Equipment must be NIST Traceable.

QC-6 Contract Number

The Prime Contract number listed on the KD Precision Machining Inc. Purchase order will be recorded on all subcontracts purchase orders. All items shown on this purchase order, including all applicable records, are subject to surveillance and inspection at your facility, at the option of Government, regulatory agencies, and/or KD Precision Machining customer representative. KD Precision Machining Inc., will provide sufficient notice to schedule surveillance.

QC-7 Product Nonconformance

KD Precision Machining must be notified whenever there is nonconforming products or services. KD Precision must approve in writing all nonconforming dispositions (rework, repairs or scrap). All non-conformances that cannot be reworked to engineering requirements must be reported to KD Precision Machining Inc. on suppliers' nonconformance document for approval.

- A.** If a non-conformance is discovered after product has returned to KD Precision Machining Inc., the vendor shall make every effort to communicate non-conformance to KD Precision Machining Inc., through corrective action, supplier alert, supplier disclosure letter.

QC-8 Counterfeit Parts Prevention

Vendor/Supplier agrees and shall ensure that Counterfeit Parts/Product is not delivered to KD Precision Machining Inc. Material purchased shall be traceable with its documentation

that authenticates its origin. Vendor/Supplier shall only purchase products directly from source or from an authorized distributor chain. Vendor/Supplier shall immediately notify KD Precision Machining Inc., with pertinent facts if Vendor/Supplier becomes aware or suspects that it has furnished Counterfeit Parts/Product. When requested by KD Precision Machining Inc., or their customer, Vendor/Supplier shall provide documentation that authenticates traceability of the affected items to their source. In the event where pertinent facts identifies and suspects that counterfeit material has been supplied KD Precision Machining Inc., shall immediately be notified. Material from unauthorized distributors or brokers shall not be acquired without approval from KD Precision Machining Inc., in advance.

QC-9 ITAR Requirements

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QC-10 Inspection System

Supplier shall maintain an inspection system in compliance with ISO 9001 or equivalent, including record control & retention for 10 years minimum or as specified. (For disposition records, contact KD Precision Machining Inc. Q.A. Dept.)

QC-11 Foreign Object Debris/Damage (FOD)

Vendor / Supplier shall maintain a FOD prevention program in accordance with NAS-412, Foreign Object Damage/Foreign Object Debris (FOD) Prevention. Whenever and/or wherever FOD entrapment or foreign objects can migrate, Vendor / Supplier shall ensure that this requirement is flowed down to any sub-tiers and/or suppliers used to satisfy this purchase order. By delivering parts/product to KD Precision Machining Inc., the Vendor / Supplier certifies that such items are free from any foreign object debris that could result in damage to product/parts and/or components. In addition, Vendor / Supplier shall suitably wrap, box and/or rack parts to guard against any shipping damage.

QC-12 Certification of Conformance

One copy of the Certificate of Conformance shall be included with each shipment of product. Certification shall declare that delivered products are in full compliance of contract / purchase order.

- A) This document shall contain, as a minimum:
1. Title, Specification Number and revision of Process being performed
 2. Name and Address of processor

3. Date of Certificate of Conformance
4. Purchase Order Part Number
5. Quantity of parts processed and if applicable quantity of parts accepted and/or rejected
6. Signature and title of authorized quality agent
7. For all Purchase Orders associated with Lockheed Martin, the following must also be included:
 - i. Vendor or Processor Code
 - ii. When required, any Fracture Durability classifications or serializations

APPLICABLE TO RAW MATERIAL VENDORS/SUPPLIERS

QC-13 Raw Material

One copy of the certification report shall support all raw materials on this purchase order for both the chemical and physical test reports. Each report shall list the following:

- A. Material specification and revision
- B. Heat number and supplier
- C. Results of chemical analysis and physical tests
- D. KD Precision Machining Inc.'s: Job number, part number, purchase order number and quantity
- E. **MATERIAL SUPPLIERS:**
- F. All material must be domestic material unless otherwise specified by written consent on purchase order.
 1. Material must have full mill certifications to the specification as called out on the purchase order.
 2. All other certified products and processes require certificates of conformance or full process certifications unless otherwise specified on the purchase order.

QC-14 Test Report

The supplier shall include with shipment one copy of the test results and/or inspection data required by purchase order.

APPLICABLE TO SPECIAL PROCESS& CALIBRATION VENDORS/SUPPLIERS

QC-15 Process Certifications (Vendor Performed)

One copy of reports of all special processes and inspection verification results shall be furnished with each shipment of processed components.

APPLICABLE IF EVOKED BY PURCHASE ORDER

QC-16 First Article Inspection

Inspection of a First Article product, manufactured to satisfy this purchase order must be submitted to KD Precision Machining Inc.'s quality assurance department prior to the start of production. Notify KD Precision Machining Inc.'s quality assurance department at (714) 871-8384.

QC-17 Source Inspection

KD Precision Machining Inc., shall have access to perform in-process or final source inspection of product at your facility. Upon receipt, notify KD Precision Machining Inc.'s quality assurance department at (714-871-8384).

QC-18 Key Characteristics

This part of assembly has Key Characteristics (KC) or Interface Key Characteristics. Do not alter. Key Characteristics require a 100% dimensional inspection record.

QC-19 Customer/Government Source

KD Precision Machining Inc.'s customer and/or Government source inspection/verification is required at your facility. Customer may still reject subsequent delivered product.

QC-20 Ensuring that persons are aware of:

- A. Their contribution to product or service conformity;
- B. Their contribution to product safety;
- C. The importance of ethical behavior

QC-21 KD providers shall ensure the following is terms are met,

- A. The approval of:
 - 1. products and services;
 - 2. methods, processes, and equipment;
 - 3. the release of products and services;
- B. the external providers' interactions with the organization;
- C. control and monitoring of the external providers' performance to be applied by the organization;
- D. verification or validation activities that the organization, or its customer, intends to perform at the external providers' premises;
- E. special requirements, critical items, or key characteristics;

- F. test, inspection, and verification (including production process verification);the use of statistical techniques for product acceptance and related instructions for acceptance by the organization;
- G. the need to: – implement a quality management system; – use customer-designated or approved external providers, including process sources (e.g., special processes); – notify the organization of nonconforming processes, products, or services and obtain approval for their disposition; – prevent the use of counterfeit parts – notify the organization of changes to processes, products, or services, including changes of their external providers or location, and obtain the organization’s approval; – flow down to external providers applicable requirements including customer requirements; – provide test specimens for design approval, inspection/verification, investigation, or auditing; – retain documented information, including retention periods and disposition requirements;