LONG-LOK

A NOVARIA GROUP™ COMPANY

Supplier Quality Clauses

Contents

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Change Record			
Revision	Description of Change	Date	App. By
0	New	7/20/2021	JK
A	Align revision with other documents, and add missing elements of AS9100 flow down.	3/9/2023	NL, AD
B	Added elements of section 8.4.	4/14/2023	NL

A. General

- "Long-Lok" means Long-Lok, LLC, a Delaware corporation.
- Long-Lok may refuse to accept materials and services delivered under a purchase order if the seller fails to comply with these quality clauses or the purchase order's requirements.

B. Surveillance and Right of Entry

All items covered by this purchase order are subject to surveillance by representatives of Long-Lok, the government, and Long-Lok's customers. Government representatives include, without limitation, those of the Defense Contract Management Agency or military. The supplier shall also allow these representatives to enter the supplier's and its subcontractors' facilities at any time during the manufacture of the product contracted for by this purchase order. This includes surveillance of the products and supplier's and its subcontractors, systems, procedures, and facilities. The supplier shall furnish, at no cost, necessary facilities and equipment, supply data, and perform tests as required by applicable drawings, specifications, the purchase order, and its referenced quality clauses. Notwithstanding this clause, all items shall be subject to inspection and acceptance by Long-Lok, the government and Long-Lok's customer. The supplier shall flow down this requirement to all its subcontractors.

C. Certification of Conformance

All fulfillments must be accompanied by a certificate of conformance that is dated and signed by the seller's authorized representative.

Manufacturer: Each shipment shall be accompanied by a legible, reproducible copy of a certificate of conformance that must state that all items contained within the shipment are in compliance with all applicable requirements of the purchase order and were produced with materials of which the seller can confirm conformance to applicable specifications and provide objective evidence thereof.

Processor: Each shipment shall be accompanied by a legible, reproducible copy of a certificate of conformance that must state that all items contained within the shipment are in compliance with all applicable requirements of the purchase order.

Distributor: The seller shall include documentation with each shipment that certifies items delivered under the purchase order conform to the requirements set forth in it. The seller shall deliver a certificate of conformance from the OEM or and OEM Authorized Distributor that identifies the locations of

manufacture and procurement, applicable traceability information (i.e., date code, lot number, batch number, etc.), and part number.

Calibration Laboratory: Calibration and Testing suppliers must furnish calibration/test reports to LONG-LOK, LLC purchase order requirements and be traceable to the specific equipment or item for which they are calibrating or testing, traceability to NIST and/or other national or international standards must be supplied. ISO9001, ISO 17025, Nadcap testing, ANSI Z540, and/or Navlap accreditation will be the quality system requirements; LONG-LOK, LLC may make conditional exceptions based on supplier survey information or applicable customer requirements.

C1. Dimensional Inspection Report Required

Suppliers shall furnish a dimensional inspection report for all dimensions shown on drawings associated with this order.

C2. AS910 FAIR

AS9102 FAIR is required with this order.

C3. First Part Sample

Documented first article part and inspection reports shall be submitted to Quality prior to the beginning of production. The supplier assumes all financial responsibility for replacement, rework, and material when production of parts is begun without first article inspection approval from quality.

D. Notification, Containment, Disposition and Corrective Action of Discrepant Orders

1. The supplier shall provide prompt written notification to Long-Lok when suspect nonconforming products or processes are discovered to have shipped. Notification shall include:
    a. part numbers;
    b. traceability (lot, serial, and manufacturer-numbers);
    c. ship dates;
    d. quantities;
    e. purchase order number; and
    f. description of the nonconformance.
2. On notification of non-conformity by Long-Lok, the supplier shall complete containment activity and provide a containment description to Long-Lok within 48 hours.
3. Long-Lok must approve disposition in writing before it occurs.

4. Long-Lok will send email notification to suppliers when a corrective action has been assigned. When Long-Lok requests corrective action:

    a. Submit a formal corrective action response by the specified due date.

    b. If needed, extensions must be requested on or before the due date.

5. When a shipment is received without the required documentation:

    a. Submit corrected documents within 2 business days of request. Failure to timely submit required documentation may result in a formal rejection and/or corrective action.

    b. Shipment is subject to return if documents are not corrected.

6. When processes or tooling are discovered which will not produce conforming hardware, discontinue production until failure modes are resolved and corrected and any actions authorized by Long-Lok's Material Review Board are complete.

E. Corrective Action

Materials or services found to have a quality problem will result in a formal request for corrective action. These requests require a response by the identified date on the corrective action. On government source inspected material, the supplier shall coordinate the corrective action reply with the government quality representative assigned to its plant. Failure to respond to the corrective action within the required response date may result in supplier disqualification.

F. Report of Discrepancy

Departures from drawings, specifications or other purchase order requirements shall be reported to Long-Lok. At no time is known discrepant material to be shipped to Long-Lok with or without verbal instructions from any employee. Upon disposition of *use as is*, **a formal document** will be returned to you for inclusion with the product for shipment and the document will need to be referenced on the certificate of conformance included with the parts. Discrepant product sent without **a formal document** will be subject to rejection.

Scrap from a machine shop which is Long-Lok furnished material shall be returned to Long-Lok and indicated as scrap on a packing slip.

If the seller discovers a discrepancy in material that has been shipped or delivered to Long-Lok, the seller shall notify Long-Lok within 24 hours. A formal document shall be obtained from Long-Lok to document the issue and shall clearly and concisely state the discrepancy and include the purchase order number, part number, lot or serial number, and number of parts affected. The seller shall examine all stock and WIP for similar discrepancies.

G. Foreign Object Damage

Supplier shall establish a Foreign Object Damage program. Documented procedures for material

handling must address the areas of manufacturing, assembly, test, and inspection operations. The Foreign Object Damage program shall be subject to review and approval by Long-Lok.

H. Anti-Terrorist Policy

The supplier agrees to comply with Executive Order Number 13224 – blocking property and prohibiting transactions with persons who commit, or support terrorism, notice of September 24, 2001 – and further agrees to include this statement in each lower-tier subcontract or purchase order issued pursuant to this purchase order.

I. Facility / Process Change

The Supplier shall not use or relocate any production, manufacturing, or processing facilities during performance of the work specified in the purchase order from those facilities approved by Long-Lok without at least 6-month notice in order to allow Long-Lok to examine the new facilities for conformance with quality assurance requirements.

J. Identification and Traceability

All products shall be identified by lot number or by a permanent part number, configuration, foundry identification and melt number, or by a traceable chemical, physical analysis, and heat treat.

K. Government or Customer Furnished Materials

The materials provided on this purchase order are furnished by the Government or Long-Lok's customer. The supplier shall maintain a system that includes:

- inspection for transit damage, completeness and type;
- periodic inspection for handling damage and deterioration during storage;
- functional testing when required; and
- proper identification and verification of quantity and protection from improper use or disposition.

Non-conforming or damaged property shall be reported within 2 business days of discovery.

L. Packing for Shipment

All items require protection from physical, environmental, and mechanical damage. Parts shall be free of foreign object debris and packaging protection shall be accomplished by wrapping, cushioning, part compartmentalization, or other means to keep the parts from making contact with one another and to mitigate shock and vibration during handling and shipment. Part surfaces must be protected at all times. No staples are allowed in the packaging of materials. The standard practice for commercial packaging, ASTM D3951, is recommended. Items which have critical surfaces shall be packaged by supplier for protection against damage. Suppliers shall comply with International Standards for Phytosanitary Measures No 15 (ISPM 15), to comply with US Department of Agriculture regulations if wood is used in

packaging.

M. Environmental Compliance

Supplier and its sub-tier suppliers shall comply with all environmental, health and safety legal and regulatory requirements to which they are subject.

Materials shall comply with the requirements set forth in the Montreal Protocol on Ozone depleting substances.

Upon delivery of Goods to Buyer, Seller shall notify Buyer in writing of all Substances of Very High Concern (SVHC) as identified on the “candidate list” as published by the European Chemicals, Agency (ECHA) in accordance with Article 59.1 of the European Regulation (EC) no 1907/2006 concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) as amended from time to time.

Unless supplier notifies Buyer in writing and obtains Buyer’s prior written consent, no Goods shall contain any of the Hazardous Materials pursuant to Article 2.1 and identified in Article 4.1 of the European Parliament Directive 2002/95/EC (RoHS Directive) as that directive is amended from time to time.

Supplier shall be responsible for all costs and liabilities’ relating to the recycling of Goods pursuant to the most current version of the European Parliament directive 2002/96/EC (WEEE Directive) as such Directive is implemented in each country to which said Goods are supplied to the Buyer.

All Goods and Hazardous Materials supplied to the Buyer shall comply with all applicable requirements under the Toxic Substance Control Act (TSCA), 15 U. S. C. 2601 et seq., and its implementing regulations.

At no time shall the products come in direct contract with mercury or its compounds nor with any mercury containing device employing a single boundary.

N. Counterfeit Parts Control

All suppliers that use lower tier suppliers, including distributors, are required to attest to the authenticity of products from their respective sources of supply. Suppliers receiving materials and parts from lower tier suppliers, including distributors, must take immediate steps to verify that the stated manufacturer of any component is the actual manufacturer. Compliance shall be stated in the supplier’s Certificate of Conformance or by a separate certificate.

O. AS9100 8.4 Requirements

1. The organization shall ensure that externally provided processes, products, and services conform to requirements.

The organization shall be responsible for the conformity of all externally provided processes, products, and services, including from sources defined by the customer.

LONG-LOK

A NOVARIA GROUP™ COMPANY

Supplier Quality Clauses

The organization shall ensure, when required, that customer-designated or approved external providers, including process sources (e.g., special processes), are used.

The organization shall identify and manage the risks associated with the external provision of processes, products, and services, as well as the selection and use of external providers.

The organization shall require that external providers apply appropriate controls to their direct and sub-tier external providers, to ensure that requirements are met.

The organization shall determine the controls to be applied to externally provided processes, products, and services when:

a. products and services from external providers are intended for incorporation into the organization's own products and services;

b. products and services are provided directly to the customer(s) by external providers on behalf of the organization;

c. a process, or part of a process, is provided by an external provider as a result of a decision by the organization.

The organization shall determine and apply criteria for the evaluation, selection, monitoring of performance, and re-evaluation of external providers, based on their ability to provide processes or products and services in accordance with requirements. The organization shall retain documented information of these activities and any necessary actions arising from the evaluations.

2. The organization shall:

a. define the process, responsibilities, and authority for the approval status decision, changes of the approval status, and conditions for a controlled use of external providers depending on their approval status;

b. maintain a register of its external providers that includes approval status (e.g., approved, conditional, disapproved) and the scope of the approval (e.g., product type, process family);

c. periodically review external provider performance including process, product and service conformity, and on-time delivery performance;

d. define the necessary actions to take when dealing with external providers that do not meet requirements;

e. define the requirements for controlling documented information created by and/or retained by external providers.

O1. Type and Extent of Control (AS9100 8.4.2)

The organization shall ensure that externally provided processes, products, and services do not adversely

affect the organization's ability to consistently deliver conforming products and services to its customers.

The organization shall:

a. ensure that externally provided processes remain within the control of its quality management system;

b. define both the controls that it intends to apply to an external provider and those it intends to apply to the resulting output;

c. take into consideration:

1. the potential impact of the externally provided processes, products, and services on the organization's ability to consistently meet customer and applicable statutory and regulatory requirements;

2. the effectiveness of the controls applied by the external provider;

3. the results of the periodic review of external provider performance (see 8.4.1.1 c)

d. determine the verification, or other activities, necessary to ensure that the externally provided processes, products, and services meet requirements.

Verification activities of externally provided processes, products, and services shall be performed according to the risks identified by the organization. These shall include inspection or periodic testing, as applicable, when there is high risk of nonconformities including counterfeit parts.

NOTE 1: Customer verification activities performed at any level of the supply chain does not absolve the organization of its responsibility to provide acceptable processes, products, and services and to comply with all requirements.

NOTE 2: Verification activities can include:

− review of objective evidence of the conformity of the processes, products, and services from the external provider (e.g., accompanying documentation, certificate of conformity, test documentation, statistical documentation, process control documentation, results of production process verification and assessment of changes to the production process thereafter);

− inspection and audit at the external provider's premises;

− review of the required documentation;

− review of production part approval process data;

− inspection of products or verification of services upon receipt;

− review of delegations of product verification to the external provider.

When externally provided product is released for production use pending completion of all required verification activities, it shall be identified and recorded to allow recall and replacement if it is

subsequently found that the product does not meet requirements.

When the organization delegates verification activities to the external provider, the scope and requirements for delegation shall be defined and a register of delegations shall be maintained. The organization shall periodically monitor the external provider's delegated verification activities.

When external provider test reports are utilized to verify externally provided products, the organization shall implement a process to evaluate the data in the test reports to confirm that the product meets requirements. When a customer or organization has identified raw material as a significant operational risk (e.g., critical items), the organization shall implement a process to validate the accuracy of test reports.

O2. Information for External Providers (AS9100 8.4.3)

The organization shall ensure the adequacy of requirements prior to their communication to the external provider.

The organization shall communicate to external providers its requirements for:

a. the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions);

b. the approval of:

1. products and services;

2. methods, processes, and equipment;

3. the release of products and services;

c. competence, including any required qualification of persons;

d. the external providers' interactions with the organization;

e. control and monitoring of the external providers' performance to be applied by the organization;

f. verification or validation activities that the organization, or its customer, intends to perform at the external providers' premises;

g. design and development control;

h. special requirements, critical items, or key characteristics;

i. test, inspection, and verification (including production process verification);

j. the use of statistical techniques for product acceptance and related instructions for acceptance by the organization;

k. 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 (see 8.1.4);

− notify the organization of changes to processes, products, or services, including changes of their external providers or location of manufacture, 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;

l. the right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;

m. ensuring that persons are aware of:

− their contribution to product or service conformity;

− their contribution to product safety;

− the importance of ethical behavior.

P. Record Retention

Record Retention Quality/Inspection records shall be retained on file by the supplier:

Minimum retention periods begin with the date the order was completed.

In the case where a specification, contract or purchase order requires a greater retention period, the more stringent requirement will apply.

The supplier shall retain records as required by this specification for minimum 11 years from the time of delivery, with a 90-day notification to the buyer before disposal. All records shall be made available upon request to Long-Lok, Long-Lok's customer, or the government within two business days. Records shall provide evidence that the required inspections and tests have been performed, including part, component, or system identification, inspection or tests involved, and number of items accepted or rejected. The records shall be suitable in format, accuracy, and completeness to permit analysis. Where numerical results are required, the actual values obtained shall be recorded. Where tape, film or other

media are required, they shall be identified with the characteristics measured. Where defective or nonconforming material is involved, the records shall include the results on analysis and corrective action taken.

• Radiographic film - eleven (11) years unless an alternate term is approved.

• Non-traceable, non-serialized parts – eleven (11) years

• Traceable parts as identified on the drawing or purchase order - Indefinitely

• Serialized parts as identified on the drawing or purchase order - Indefinitely.

• Critical parts as identified on the drawing - Indefinitely

Q. ITAR and Other Government Data

All information on the Purchase Order must be held in confidence by the supplier and no third-party request for information will be authorized unless instructed in writing by a LONG-LOK, LLC representative. When ITAR, CMMC and/or government rated data is noted on the purchase order, the US government restrictions must be followed. If you have any questions concerning ITAR or government rating notify the company buyer. All concerns must be answered prior to you accepting this order. All documents to be retained for 10-year min unless extended retention is required by LONG-LOK, LLC or its customers.

R. NADCAP Certified Approved Special Processors Required.

All special processes, such as heat treating, chemical processing, plating, etc, shall only be performed by NADCAP certified processors. Test report or certification to process must be provided. This requirement may be invoked for special processes on industry standard parts.