APR-D-004

DETERMINATION OF QUALITY REQUIREMENTS FOR EXTERNAL PROVIDERS PROCEDURE

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ATTENTION!

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1 INTRODUCTION

1.1 SCOPE

This instruction is applicable to externally provided processes, products, and services that do not adversely affect the ASES's ability to consistently deliver conforming products and services to its customers.

This document applies to the overall external providers and suppliers of ASES and their direct and sub-tiers external providers carrying out manufacturing activities or providing processes, products, and services through any of ASES's customers' programs.

1.2 PURPOSE

The purpose of this instruction is to ensure that externally provided processes, products, and services conform to requirements for the following conditions.

To provide specific instructions for determination of the Supplier/External Provider quality requirements for ASES purchase orders placed to its suppliers during procurement processes.

To define the responsibilities for the determination of the Supplier/External Provider quality requirements and to flow down to ASES's direct and sub-tiers external providers.

To classify the external providers to determine the appropriate requirements to control them and provided processes, products, and services.

1.3 RELATED PROCESS

Procurement

1.4 REFERENCE DOCUMENTS

1.4.1 AS 9100 - Quality Management Systems - Requirements for Aviation, Space and Defense Organizations

1.4.2 AS 9120 - Quality Management Systems – Requirements for Aviation, Space, and Defense Distributors

1.4.3 SAE- ARP9009 - Aerospace Contract Clauses

1.4.4 AP3010 - Quality Requirements in Purchase Documents

2 DEFINITIONS AND ABBREVIATIONS

2.1 Aerostructures Supplier/External Provider – Supplier/External Providers with Planned Subcontracting, that manufacture products for ASES, including finished assemblies, assemblies, detail parts, special processes, and, in general who have contract to manufacture aerostructure products.

2.2 Airworthiness Certificate – A document issued by the cognizant civil aviation authority that certifies that the part conforms to the applicable regulatory requirements.

2.3 **Authorized Release Certificate -** Document attesting that a product is released for use (e.g., release or return to service) and certifying that the activities performed, and the results achieved, conform to established organization, regulatory, and customer requirements.

2.4 **Approved Supplier –** Supplier/External Provider with a Quality Management System level acceptable and when appropriate, with a satisfactory specific evaluation in accordance with ASES and its customer requirements.

2.5 **Article -** Material, part, component, assembly, or appliance which is listed by the design organization as eligible for installation in/on the product or included in the design data approved by the authority.

2.6 **Certificate of Conformity (commonly referred to as a 'Certificate of Conformance') -** Documented information that attests to product conformity; conformance to defined process, design, and specification requirements.

2.7 **Counterfeit Part -** 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.
NOTE: 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.

2.8 **Distributor** - Supplier/External Provider who manages the supply of products, without manufacturing them, to ASES. Depending on whether the products are stored or not in their installations, distributors may be classified as follows.

2.8.1 **Stockist** - Distributors who receive, store and control the traceability of the products obtained from manufacturers approved by ASES's customers, and ship the products in the same conditions as they were certified by the original manufacturer. A stockist is not authorized to modify/alter the products.

2.8.2 **Commercial agents/offices -** Distributors who manage the supply of products from manufactures or stockists approved by ASES's customers without going the material through their facilities. ASES receives the material directly from the manufacturer or stockist when available.

2.9 **External Provider –** Supplier; An organization or person which is not a part of ASES i.e. manufacturer, distributor, retailer, vendor, subcontractor, etc. including the customers and Supplier/External Providers and their direct and sub-tier external providers that provides a product, process and service for ASES. In this instruction External Provider and Supplier shall be understood for the same meaning.

2.10 **EPQRC –** External Provider Quality Requirement Clauses. EPQRC's are identified with specific codes shall be included in the purchase documents.

2.11 **Laboratory –** Supplier/External Provider who performs tests and/or calibrations on ASES's products.

2.12 Purchase order(P/O) - A purchase document issued to external providers for a product, process and service for ASES.

2.13 Processor - For the purpose of this procedure, a supplier that performs special processes for ASES.

2.14 Product Safety - Maintaining the state of product so that it is able to perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property.

2.15 Qualified Manufacturer - The qualified manufacturer will be the one that in addition to be an approved Supplier/External Provider has proved to ASES's customers or an organization recognized by ASES's customers its capacity to manufacture parts that meet the requirements specified in the documentation, technical specification or standard.

2.16 Special Process - Processes usually defined by related process specifications and/or ASES's customers as such, and of which results cannot be detected at full extent by inspecting/measuring its outcome. Those are certain chemical and metallurgical operations and non-destructive tests, which require Quality Systems Management and process approval, such as heat treatment, plating, chemical conversion, magnetic particle inspection, etc.

2.17 Supplier/External Provider - Supplier/External Provider that, without manufacturing any product for ASES, carries out other tasks on these products, as, e.g., measurements or inspections.

2.18 Supplier - An organization or person which is not a part of ASES i.e. manufacturer, distributor, retailer, vendor, subcontractor, etc. including the customers and Supplier/External Providers and their direct and sub-tier external providers that provides a product, process and service for ASES. In this instruction External Provider and Supplier shall be understood for the same meaning

2.19 Service Qualified Parts - Part which, due to its requirements defined in the applicable documentation, technical specification or standard, must be manufactured by a manufacturer qualified for that part.

2.20 Special Requirements – Those requirements identified by the customer, or determined by ASES, which have high risks to being achieved thus, requiring their inclusion in the risk management process. Factors used in the determination of special requirements include product or process complexity, experience and product or process maturity.

2.21 Splitting - The division of product either physically or by batch quantity, without affecting the product characteristics or conformity.

2.22 **Suspected Unapproved Part -** A part for which there is objective and credible evidence indicating that the part is likely an unapproved or counterfeit part.
Note: This includes: articles shipped to an end user by a supplier who does not have direct delivery authorization from the approved production organization; new articles that do not conform to the approved design/data; articles that have not been manufactured or maintained by an approved source; articles that have been intentionally misrepresented, including counterfeit parts; and articles with incomplete or inappropriate documentation.

2.23 **Test Report -** Documented information that shows objective evidence provided by either the manufacturer or a certified testing facility that the product conforms with specific design requirements, product or performance characteristics.

2.24 **Traceability -** The ability to trace history, application or location of an item or activity, by means of recorded identification.

2.25 **Unapproved Part –** A part that was not produced or maintained in accordance with approved or acceptable data and applicable statutory, regulatory, and customer requirements.

3 GENERAL

3.1 ASES shall be responsible for the identification of the Supplier/External Provider Quality Requirements coding and including the purchase orders as applicable in accordance with the product and supplier information.

3.2 ASES updates the applicable quality clauses together with the applicability criteria related to this instruction and requests the inclusion of this data in order to ensure that the applicable clauses are generated with each purchase order.

3.3 ASES is responsible for reviewing and approving procurement documents before approving of Procurement department.

3.4 ASES shall check and verify that purchase document information related to the product and source of the supply with the following information as applicable;

3.4.1 Precise identification, including name, part number, type, class, style, grade, etc,

3.4.2 Relevant standards, specifications, drawings, process requirements work instructions, and other such technical data with applicable or latest revision level,

3.4.3 Requirements for verification or validation activities that ASES, or its customer, intends to perform at the external providers' premises,

3.4.4 Requirements for competence, including any required qualification of persons.

3.4.5 Requirements for approval of:

3.4.5.1 product and services;

3.4.5.2 method, processes, and equipments;

3.4.5.3 the release of products and services;

3.4.6 The external providers' interactions with ASES;

3.4.7 Control and monitoring of the external providers' performance to be applied by ASES,

3.4.8 Requirements for design and development control;

3.4.9 Test, inspection, verification (including production process verification);

3.4.10 The use of statistical techniques for product acceptance, and related instructions for acceptance by ASES;

3.4.11 Special requirements, critical items, or key characteristics;

3.4.12 Requirements regarding the need to;

1) Implement a quality management system
2) for the supplier to notify ASES of nonconforming products,
3) use customer-designated or approved external providers, including process sources (e.g., special processes);
4) notify ASES of nonconforming processes, products, or services and obtain approval for their disposition;
5) prevent the use of suspected unapproved, unapproved, and counterfeit parts.
6) notify ASES of changes to processes, products, or services, including changes in their external providers or location of manufacture, and obtain ASES's approval;
7) flow down to external providers' applicable requirements including customer requirements.
8) provide a certificate of conformity, test reports, or authorized release certificate, as applicable.
9) provide test specimens for design approval, inspection/verification, investigation, or auditing
10) retain documented information, including retention periods and disposition requirements,

3.4.13 Right of access by ASES, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;

3.4.14 Ensuring that persons are aware of:

1) their contribution to product or service conformity;
2) their contribution to product safety;
3) the importance of ethical behavior.

3.5 Quality Assurance Personnel determines in which category each supplier is enclosed according to the following classifications.

3.5.1 **Type A1:** External Provider who is an aerostructure or system manufacturer as a subcontractor in accordance with their own design. These subcontractors and service providers whose design responsibility belongs to themselves shall have a quality system applicable to design, development, production, installation, and service. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalent.

3.5.2 **Type A2:** External Provider who is an aerostructure or system manufacturer as a subcontractor in accordance with third party design. These subcontractors and service providers whose design responsibility belongs to the third-parties shall have a quality system applicable to production, installation, and service. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalent, except chapter 8.3. “Design and Development of Product Services” which will not be applicable.

3.5.3 **Type B1:** External Provider who is a manufacturer of materials, standard parts, equipment, or proprietary items in accordance with their own design. These manufacturers and service providers whose design responsibility belongs to themselves shall have a quality system applicable to design, development, production, installation, and service. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalent.

3.5.4 **Type B2:** External Provider who is a manufacturer of materials, standard parts, equipment, or proprietary items in accordance with the third-party design. These manufacturers and service providers whose design responsibility belongs to third parties shall have a quality system applicable to production, installation, and service. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalent, excepting chapter 8.3. “Design and Development of Product Services” which will not be applicable.

3.5.5 **TYPE C:** External Provider who is a processor and performs the process activities in accordance with the third-party design. These processors whose design responsibility belongs to third parties shall have a quality system applicable to production, installation, and service. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalent, except chapter 8.3. “Design and Development of Product Services” which will not be an applicable supplier that performs special processes for ASES.

3.5.6 **Type D:** External Providers who is a test sources and perform operational activities in accordance with third-party designed product, process, and/or test requirements. These sources whose design responsibility belongs to third parties, who have a quality system applicable only to final inspection and test activities. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalent, with the exception of chapters such as 8.1. “Operational Planning and Control”, 8.3. “Design and Development of Product Services”, 8.5.5 “Post Delivery Activities”.

3.5.7 **Type E1:** External Provider who is named as a “Distributor-Stockist” and complies with a quality system to receive, store and control the traceability of the products. The applicable quality requirements are those contained in the standard AS/EN9120 or equivalents.

3.5.8 **Type E2:** External Provider who is named as a “Distributor-Agent” and who complies with a quality system to receive, control the traceability of the products and distribute them to any customer in the same conditions as they were certified and packaged by the original manufacturer or approved stockist. The applicable quality requirements are those contained in the standard AS/EN9120 or equivalents.

3.5.9 **Type F:** External Provider with special purchasing policy Supplier/External Providers from whom it is ASES policy to acquire products, regardless of the established quality system and its adequacy and/or fulfillment of the requirements. The quality of these products will be ensured by optimizing inspection on reception.

3.5.10 **Type G:** Supplier/External Providers with a Contracted Quality System. Supplier/External Providers who have a quality system that is in accordance with ASES's Customers' requirements for the supplied product, but whose set of elements is not governed by any international standard or quality publication. The quality requirements will be collected in a contractual document. The applicable quality requirements may be chosen from the different International quality standards and complemented with ASES specific requirements.

3.5.11 **Type H:** Laboratories. The applicable quality requirements are those requested by the national accreditation office of each country. The supplier shall be accredited for each test type and/or each calibration type that will be performed for ASES and ASES's Customers.

3.5.12 **Type I:** Software Supplier/External Provider. External Providers who is called out as software supplier and have a quality system applicable to the development of software. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalents.

3.6 Quality Assurance reviews and approves any deviation in purchasing documents from the requirements specified in this instruction.

3.7 ASES shall monitor the application and conduct a refresher course as deemed necessary.

3.8 Procurement Department is responsible for revising and approving procurement documents before their distribution, and verification of included all applicable clauses, technical and procurement specification information of the product and statement of work document information in the purchasing document.

3.9 Procurement Department requests Quality System Department to start the approval process, for a permanent or temporal approval for the selected supplier in case it is necessary to purchase from a supplier not included and approved in the Approved Supplier/External Provider List of ASES.

3.10 The Quality Management department is responsible to evaluate the selected Supplier/External Providers and has approval authority for them in accordance with contract/purchase order and ASES procedures.

3.11 QMS Approved Supplier/External Provider list is prepared for Quality Management System and maintained with the scope, approval status and level, approval initial and due date, processes that are performed, and customer approval required as applicable.

3.12 ASES shall not prepare and use for qualified product or service list unless otherwise stated by customer contracts but, if the product and service standards or customer standards refer to qualified products then qualified product lists shall be used in the procurement process by adding this information to purchase orders and controlling during receiving inspection.

3.13 ASES may use the unapproved sources under controlled procurements conditions when it is necessary. Unless otherwise specified in the customer contracts, procurement from unapproved sources shall be permitted with Quality System Management written approval for a defined limited and urgent usage. In this case, the Supplier/External Provider category type shall be “F” and the products shall be subjected to 100% receiving inspection.

4 PROCEDURES

4.1 Quality Assurance Management Department

Define the External Providers Quality Requirements Clauses (EPQRC) as follows;

4.1.1 Product information in the purchase document and/or statement of work document shall be checked and verified for correctness and fulfillment.

4.1.2 Approval status of the supplier shall be checked and verified by ASES or its customer.

4.1.3 Determine the External Providers Quality Requirements Clauses (EPQRC) from the section 4.4 as indicated and include the purchase document information through the system or printed copy.

4.1.4 Review and approve the purchase document after the determination of the SQRC in accordance with the 4.1.3 section.

4.1.5 Shall evaluate periodically, before starting a project and or contract and during the implementation of the contractual and ASES process changes, make necessary revisions to update this procedure for the application of current requirements.

4.2 Procurement Department

Review, approve and issue the purchase document after approval from Quality Department and other necessary approvals such as financial and upper management.

4.2.1 POINT OF INSPECTION OF THE PROCURED PRODUCTS

4.2.1.1 K10 - Verification by ASES

If this clause is specified in the purchase order, referred process, product, and/or service to be provided has no effect on the quality of the end item to be delivered to the customer.

No need to determine any other clauses to control the product and external provider and receiving inspection also shall not be applied. In that case, received products are directly routed to the purchase requestor or end user of ASES.

NOTE: Materials for the facility, office material, computers, etc. can be examples of products indicated in this clause.

4.2.1.2 K11- Source Inspection

ASES source inspection is required prior to shipment of articles from the Seller's facility. Upon receipt of this order and prior to commencing work, promptly notify the ASES's Procurement Quality Assurance Representative (PQAR) assigned to the Seller's facility so the appropriate inspection plan can be coordinated. In the event that a PQAR does not normally service the Seller's facility, immediately notify the ASES procurement representative to obtain a point of contact for the appropriate PQAR assignment.

Source inspection shall be conducted by ASES at the Supplier's facility or where designated in the order. The Supplier shall notify the PQAR office a minimum of 5 working days in advance of the time the articles or materials are ready for inspection or test.

The Supplier shall make available to the PQAR all applicable drawings, specifications, procedures, statements of work, Customer's Order, test software, and changes thereto, related inspection and/or test equipment, and such other information as may be required to satisfactorily perform the inspections and tests required under this Order.

4.2.1.3 K12 – Inspection at Destination by Customer Receiving of ASES

Inspection point for acceptance of product will be carried out at destination.

4.2.2 GENERAL REQUIREMENTS

4.2.2.1 K20 - STANDARD TERMS AND CONDITIONS

4.2.2.1.1 Requirements for Personnel

Suppliers shall have personnel certifications/qualifications when the processes being used to produce the product require it or ASES has flowed that requirement to the Suppliers as well when the approval of equipment and qualification of personnel as applicable when the ASES or ASES's customer must approve personnel.

4.2.2.1.2 Requirements for General Responsibilities of External Providers

Suppliers shall provide the products and services in accordance with all requirements of this purchase document and/or contract including but not limited to;

1) descriptions, identification and revision status of specifications, drawings, process requirements, inspection /verification instructions, and other relevant technical data and schedules,

2) requirements for qualification of personnel,

3) approval of product, process, procedure, and equipment,

4) quality management system requirements,

5) requirements for design, test, inspection, verification (including production process verification),

6) use of statistical techniques for product acceptance, and related instructions for acceptance by the Seller, and as applicable critical items including key characteristics where applicable, other specifications identified within the technical requirements documentation or other attachments which are part of this purchase document.

7) suppliers shall ensure that all articles are of new manufacture and free of Foreign Object Debris/Damage (FOD).

4.2.2.1.3 Requirements for Acceptance

Suppliers shall perform product acceptance in accordance with the defined requirements by ASES in the contracts and/or purchase orders.

Suppliers shall perform the test, inspection, verification (including production process verification) requirements, use of statistical techniques, and as applicable critical items including key characteristics for product acceptance, and related instructions for acceptance by ASES, shall be documented, records maintained, and copies of certificate of conformity, test reports, or authorized release certificate, as applicable will be provided when specified in the purchase orders and/or contracts.

The test requirements ensure the final product operates in accordance with the end user's needs. In order to ensure the product complies with the design requirements, the Supplier develops an inspection plan and means of product/process verification like FAI, process certification, etc. The inspection plan can be based on sampling inspection if and when the ASES agrees with the Supplier sampling plan. The Supplier is expected to comply with the requirements applicable to critical items as defined through design or contract; the Key Characteristics process is documented in AS9103.

The requirements of this specific clause are typically contained in contractual documents and specifications. The understandings of all requirements are extremely important before contract acceptance.

4.2.2.1.4 Sampling Plans

Acceptance of this contract/purchase order requires the Supplier to submit any sampling plans used for product acceptance to the ASES and/or ASES's customer for approval prior to use. This requirement is applicable to the Supplier and to the Seller's sub-tier contractors. Sampling is not permitted until the sampling plans have been approved however, suppliers may utilize the sampling inspection plans in accordance with ATL-D-002.

4.2.2.1.5 Records Retention Requirements

Supplier and the Seller's subcontractors shall maintain verifiable objective evidence of all inspections and tests performed, results obtained, and dispositions of non-conforming articles. These records shall be identified to associated articles, including heat and lot number of materials, unit, or lot serialization. These records shall be made available to customers and/or government representatives upon request and shall be retained in a safe, accessible location for a period of 10 years after the date of delivery or as defined in the contract.

The Seller's records associated with the manufacture of serialized or lot controlled articles will provide for continued traceability of serial numbers or lot number identification through all phases of manufacture, commencing with the raw material and continuing through final acceptance of the end item.

Records must be held for the required retention period and shall not be destroyed without ASES's written concurrence.

4.2.2.1.6 Requirements for Right of Access/Entry

Supplier shall ensure that the right-of-access/entry is provided to all facilities and the suppliers, within the supply chain, involved in the contract producing goods or services. The Sellers and their sub-tiers need to grant reasonable access to the ASES, its representatives, Customers, and Regulatory Bodies to all areas used for the performance of the contract. The Seller, Suppliers, and Sub-tiers will need to assure they provide assistance with pertinent personnel, facilities, data, equipment, and records associated with the contract to inspect and evaluate. Regulatory bodies require a right-to-access clause and will typically validate it is documented to all the tiers within the supply chain performing to the contract.

4.2.2.1.7 Requirements for Flow Down to Sub-tiers

This requirement mandates that all applicable requirements that are invoked or applied to the ASES's purchasing document, including this clause, shall be flowed down to the Seller's sub-tier suppliers. Suppliers shall flow down both the ASES's any applicable requirements from their customer that are imposed throughout the entire supply chain and their own requirements affecting the procurement to any sub-tiers.

4.2.2.1.8 Control of Documents

Acceptance of this contract/purchase order will require any changes that are made to the Seller's quality system documentation shall be reviewed and approved by the ASES and or government prior to being enacted. The exact document(s) that must be approved is subject to an agreement between the ASES and the Seller.

4.2.2.1.9 Notification of Changes and Change Authority

Supplier shall provide in writing advance notification to the ASES of any change(s) to tooling, facilities, materials, or processes of the delivered item including sub-tier supplier changes. This includes, but is not limited to, fabrication, assembly, handling, testing, facility location, or introduction of a new sub-tier supplier.

Supplier shall notify the ASES of the proposed changes in process definition and, will obtain approval from the ASES and ASES's customer prior to implementing the change for the product that is designated as 'critical' or contains 'critical processes'. Changes affecting processes, production equipment, tools, and programs shall be documented. Procedures shall be available to control their implementation. This requirement for notification and approval extends to any sub-contracted operations performed on the defined 'critical product and/or processes', by or for the Seller.

4.2.2.1.10 Record Retention

Documented information shall be considered as the records and retained to denote documents needed to provide evidence of product origin, conformity, and shipment. Following documented information shall be retained and can be considered as examples but not limited to;

- manufacturer, distributor, and repair station test and inspection reports;
- purchase orders/contracts;
- certificates of conformity (manufacturer, sub-tier distributor), copies of authorized release certificates;
- nonconformance, concession, and corrective actions;
- documented information of lot or batch traceability;
- documented information of storage, preservation, or shelf life condition (e.g., time, temperature, humidity).

Supplier and the Supplier's subcontractors shall maintain verifiable objective evidence of all inspections and tests performed, results obtained, and dispositions of non-conforming articles. These records shall be identified to associated articles, including heat and lot number of materials, unit, or lot serialization. These records shall be made available to customers and/or government representatives upon request and shall be retained in a safe, accessible location for a period of 10 years after the date of delivery or as defined in the contract. Supplier shall retain such records for a period of not less than (10) ten years from the date of shipment under each applicable Purchase Order. Supplier shall maintain all records related to the current first article inspection (FAI) for (10) ten years past the final delivery of the last Product covered by the FAI.

The Seller's records associated with the manufacture of serialized or lot-controlled articles will provide for continued traceability of serial numbers or lot number identification through all phases of manufacture, commencing with the raw material and continuing through final acceptance of the end item.

Records held for the required retention period shall not be destroyed without ASES's written concurrence. The supplier will notify ASES of records to be disposed of and ASES reserves the right to request delivery of such records. In the event ASES chooses to exercise this right, the supplier shall promptly deliver such records to Boeing at no additional cost on media agreed to by both parties.

4.2.2.1.11 Requirements for Nonconforming Product-Output and Reporting and Corrective Actions

Sellers shall have a documented procedure that defines the controls and related responsibilities for dealing with nonconforming products. The Seller's documented procedure shall also define the responsibility for review and authority for the disposition of nonconforming products and the process for approving personnel making these decisions.

When a non-conformance is discovered, a review process shall be initiated with the identification and documentation of the nonconformance. This review shall be the initial step performed by the Supplier to determine if the nonconformance needs to be reported to the customer (see below) and to determine if the nonconformance is minor and can be re-worked to a condition that completely conforms to the drawing or specification requirements.

This review does not negate the requirement to identify, segregate, document, report, and disposition non-conformances.

The Supplier shall have a method to communicate the details of the nonconformance and possible effects of the nonconformance on the customers' product if known.

The Supplier needs to assure notification to all affected parties in the supply chain, of the suspected and/or confirmed nonconformance.

Non-conformances shall be reported to the ASES as soon as it is detected and determined not to be re-workable and may be salvageable. When notification is required, notification shall be within 3 working days after the nonconformance is discovered. This requirement applies to all procurements. However, if the condition is possible safety of the flight, the Supplier shall submit all available information immediately.

Any nonconformance discovered by the Seller, on products in their control, shall be documented by the Supplier approved method of nonconformance reporting. Additionally, the Supplier shall notify the ASES using a timely "Notification of Escape" for any product that is considered non-conforming that has been delivered to all Buyers. AS9131 is an acceptable means of reporting. This shall include a detailed description of the nonconformance; location (by drawing reference point, hardware reference point, clock location, etc.); and exact callout of the violation by drawing or specification requirement (including sub-paragraph or illustration number). It shall also list what type of inspection revealed the discrepant condition, and what, if any, subsequent actions were taken prior to disclosure. Dimensional violations shall include "should be" and "is" dimensions, and tool(s) calibration traceability numbers.

And also, the Notification of Escape letter (NOE) shall have to contain a method for positive identification, recall, impact, and replacement of parts in the event of a non-conformance. Items to be addressed:

1) The discrepancy, the product's part number(s), part name, serial numbers
2) Cause of the discrepancy
3) Quantity of product

4) Date delivered

5) Containment actions and extent with justification

6) Root cause analysis

7) Any interim fixes to the system or product to assure conforming products

8) The final system or product changes that were implemented to prevent re-occurrence

9) Remedial corrective action, Root Cause Corrective Action, and preventative action

Supplier shall ensure that product, which does not conform to product requirements, is identified and controlled to prevent its unintended use or delivery until dispositioned or scrapped after review.

The Supplier will need to obtain the ASES's disposition of the products' non-conformance or the ASES will need to provide approval for the supplier to disposition the product(s).

Supplier or their sub-tier suppliers has no authority to disposition product or process non-conformances. Repair and Use As are dispositions are not allowed under this clause. If the supplier requests a non-conforming product disposition ASES's customer approval shall be obtained for the requested disposition.

Supplier or its sub-tier suppliers has also no authority to disposition products or process non-conformances for Scrap disposition when the ASES furnished material is used on the products unless otherwise stated. The supplier shall inform the ASES and return the material to be scrapped after review.

Supplier shall evaluate the need for action to eliminate the cause(s) of the nonconformity, in order that it does not recur or occur elsewhere, by:

1) reviewing and analyzing the nonconformity.
2) determining the causes of the nonconformity, including, as applicable, those related to human factors;
3) determining if similar nonconformities exist, or could potentially occur.
    a) implement any action needed;
    b) review the effectiveness of any corrective action taken;
    c) update risks and opportunities determined during planning, if necessary;
    d) make changes to the quality management system, if necessary;
    e) flow down corrective action requirements to an external provider when it is determined that the external provider is responsible for the nonconformity;
    f) take specific actions when timely and effective corrective actions are not achieved

Corrective actions shall be appropriate to the effects of the nonconformities encountered.

Supplier shall maintain documented information that defines the nonconformity and corrective action management processes.

4.2.2.1.12 Foreign Object Damage

The Supplier shall ensure articles are free from foreign objects and foreign object damage resulting from processing or assembly and packaging operations for articles, particularly components and assemblies susceptible to foreign object damage. Use of the NAS 410 standard for guidance is recommended.

4.2.2.1.13 Material Identification, Damage and Count

Each article delivered under this Order must be identified with a part number or other identification in agreement with the article ordered. All purchased materials and services are subject to inspection for compliance with this purchase order and all applicable quality clauses. No material or process substitutions, quantity variations, or splits from purchase orders may be made without prior written authorization from ASES.

4.2.2.1.14 Packaging, Handling and Labeling Requirements

The Supplier shall be responsible for ensuring that items provided under this Contract/Purchase Order are packaged in such a manner that the dimensional integrity is preserved, contamination and corrosion are prevented, and no physical damage occurs. Packaging when specified shall be in accordance with the drawing, appropriate ASTM, MIL, or other applicable customer specified requirement and prevents damage, deterioration, substitution, or loss in transit. The Supplier shall label the exterior of the package to ensure adequate identification of precautions needed to ensure the integrity of the product being shipped.

The Supplier must specify the handling and shipping methods that ensure proper and on-time delivery without damage to the product. The Supplier shall ensure that special labeling requirements shall also be listed in the appropriate shipping documents and on each package. Attention to ESD, foreign object damage (FOD), and physical integrity must also be noted for all products where applicable.

4.2.2.1.15 Counterfeit Parts Requirements:

All External Providers shall plan, implement, and control processes, appropriate to ASES and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to ASES.

External Provider’s counterfeit part prevention processes shall consider the following provisions:

1) training of appropriate persons in the awareness and prevention of counterfeit parts;
2) application of a parts obsolescence monitoring program;
3) controls for acquiring externally provided products from original or authorized manufacturers, authorized distributors, or other approved sources;
4) requirements for assuring traceability of parts and components to their original or authorized manufacturers;

5) verification and test methodologies to detect counterfeit parts;

6) monitoring of counterfeit parts reporting from external sources;

7) quarantine and reporting of the suspect or detected counterfeit parts.

When counterfeit or suspect counterfeit parts are detected at external providers those parts shall be controlled to prevent reentry into the supply chain.

If those counterfeit or suspect counterfeit parts are detected at ASES or ASES's Customer parts shall be disposed of at ASES and will not be returned to either an external provider or any other supply chain provider.

In that case, product costs will not be paid to the external provider and all costs, including penalties incurred by the customers of ASES, shall be charged to the external provider.

4.2.2.1.16 Persons Awareness

External providers shall ensure that all employees, involved in any stage, within the organization, affecting the quality of products, processes, and services have been adequately trained and ensure their awareness of them the followings;

1) their contributions to product and service conformity
2) their contributions to product safety
3) the importance of ethical behavior

4.2.2.1.17 Product Safety

External providers 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.

These processes shall include the followings:

- assessment of hazards and management of associated risk if applicable;
- management of safety critical items if applicable;
- analysis and reporting of occurred events affecting safety;
- communication of these events and training of persons.

4.2.2.1.18 Prevention of Unapproved and Suspected Unapproved Parts

External providers shall plan, implement, and control a process appropriate to their and the product that identifies and prevents the release of unapproved and suspected unapproved parts.

Suspected unapproved parts prevention processes should consider the followings:

- training of appropriate persons in the awareness and identification of suspected unapproved parts;
- requirements for assuring traceability of parts and components to an authorized source;

- inspection processes to detect suspected unapproved parts;
- monitoring of suspected unapproved parts reporting from external sources;
- quarantine and reporting of suspected unapproved parts in accordance with applicable requirements from the competent authority or customers, as required.

4.2.2.1.19 Requirements for Traceability

Suppliers shall use suitable means to identify outputs when it is necessary to ensure the conformity of products and services.

Suppliers shall maintain the identification of the configuration of the products and services in order to identify any differences between the actual configuration and the required configuration.

Suppliers shall identify the status of outputs with respect to monitoring and measurement requirements throughout production and service provision.

Suppliers shall control the unique identification of the outputs when traceability is a requirement and shall retain the documented information necessary to enable traceability.

Traceability requirements can include:

1) the identification to be maintained throughout the product life;
2) the ability to trace all products manufactured from the same batch of raw material, or from the same manufacturing batch to the destination (e.g., delivery, scrap);
3) for an assembly, the ability to trace its components to the assembly and then to the next higher assembly.
4) the identification of the product’s condition in inventory (e.g., new, overhauled, repaired, altered, rebuilt).

Suppliers shall maintain product identification and traceability by suitable means (e.g., labels, bar codes) from receipt, during splitting, storage, packaging, and preservation operations and until delivery. This includes handling or packing operations outsourced to external providers.

When delivering split product, the following information shall be retained:

1) amount delivered relative to amount received from external provider,
2) purchase order number(s),
3) customer's name(s).

4.2.2.1.20 Supply Chain Traceability

The supplier shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of the materiel being delivered per this procedure and ASES’s P/O. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the materiel for the supplier and shall include the manufacturer's commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications.

4.2.3 QUALITY MANAGEMENT SYSTEM REQUIREMENT FOR SUPPLIERS

4.2.3.1 K30: ISO 9001 - Quality Management System Certificate

If external provider specified in purchase order is identified with supplier category type B, D, E and I, the supplier, the supplier shall have a quality management system that complies with International Organization for Standardization document ISO 9001 – Quality Management System Requirements. Independent certification/registration is required under the authority of a recognized Accreditation process that is recognized by the International Accreditation Forum (IAF) requirements.

NOTE: Suppliers that don't have the ISO 9001 certificate defined above, ASES requests for audit from the supplier for the Quality Compliance Certificate and if became entitled to get this certificate, certificate is considered to be a Quality Assurance System Certificate.

4.2.3.2 K31: AS/EN9100 – Quality Management System Certificate Aerospace – Requirements

If the external provider specified in the purchase order is identified with supplier category types A1, A2, B1, B2, C, and I the supplier shall have a quality management system that complies with the Society of Automotive Engineers (SAE), AS9100 Quality Management Systems - Requirements. Independent certification/registration is required under the Aerospace Industry-controlled AS9104 process.

NOTE: For suppliers that don't have the certificate AS9100 defined above, ASES requests for audit from the supplier for the Quality Compliance Certificate, and if became entitled to get this certificate, the certificate is considered to be a Quality Assurance System Certificate.

4.2.3.3 K32: AS/EN9120 – Quality Management System Certificate- Aerospace - Requirements for Stockists/Distributors

If the external provider specified in the purchase order is identified with supplier category types E1, F, and G shall have a quality management system that complies with the Society of Automotive Engineers (SAE), AS9120 Quality Management Systems - Aerospace - Requirements for Stockists/Distributors. Independent Certification/registration is required under the Industry controlled AS9104 process.

4.2.3.4 K33: Calibration Laboratories

If the external provider specified in the purchase order is identified with supplier category type H and shall have a documented calibration system that meets the requirements of ISO 10012, 'Quality assurance requirements for measuring equipment, or the American National Standard Institute (ANSI)/National Conference of Standards Laboratories (NCSL) Z540-1, 'General Requirements for Calibration Laboratories and Measuring and Test Equipment' standards". Supplier shall establish and maintain documented procedures to control, calibrate, and maintain, inspection measuring, and test equipment used by the Supplier to demonstrate the conformance of the product to the specified requirements.

This system shall meet the requirements of ISO17025 or equivalent at a minimum. Supplier shall provide Calibration Certificate to ASES with equipment.

4.2.3.5 K34: Test Sources

Type D external provider who is a test source with third-party design. These sources whose design is the responsibility of third parties have a quality system applicable only to final inspection and test. The applicable quality requirements are those contained in the standard AS/EN9100 or equivalent, with the exception of chapters such as 8.1. “Operational and Planning Control”, 8.3. “Design and development of Product and Services”, 8.5.5. “Post Delivery Activities”.

4.2.3.6 K35: Controlled Procurement Supplier

Type F Suppliers with special purchasing policy Suppliers, from whom it is ASES policy to acquire products, regardless of the established quality system and its adequacy and/or fulfillment of the requirements. The quality of these products will be ensured by optimizing inspection on reception.

4.2.4 PRODUCT, PROCESS AND TEST ACCEPTANCE PROVISIONS

4.2.4.1 K40: COC Certificate of Compliance – Applicable all category type suppliers, procured and subcontracted products, manufactured and on the shelf items.

When applicable, the true manufacturers, lot, heat, batch, date code, and/or serial number must appear on the certification. Certification must contain the following:

- Customer’s order number
- Line number
- Part number
- Name and address of manufacturing or processing location
- Manufacturer’s lot, heat, batch, date code, and/or serial number (if applicable)
- Quantity and unit of measurement (each, box, case, gallons, etc.)
- Be signed and dated by an official of the company.

And the following statement shall be included on the certificate - “

“The applicable material test results, process certifications, and inspection records are available upon customer’s request. Inspections necessary to determine the acceptability of all articles under this order were completed. All articles submitted in this order are subject to final acceptance by the customer.

4.2.4.2 K41: Test Report / COC Certificate of Compliance for Raw Materials - Applicable for category types A1, A2, B1, B2, E1, E2, F and G suppliers, procured and subcontracted products, manufactured and on the shelf items.

The supplier will include with each shipment the raw material manufacturer's test report (e.g., mill test report) that states that a lot of material furnished has been tested, inspected, and found to be in compliance with the applicable material specifications. The test report will list the specifications, including revision numbers or letters, to which the material has been tested and/or inspected and the identification of the material lot to which it applies.

When the material specification requires quantitative limits for chemical, mechanical, or physical properties, the test report will contain the actual test and/or inspection values obtained. For aluminum mill products (except castings), certifications for chemistry may indicate compliance within the allowed range. Certifications for physical properties will show actual values.

When Supplier supplies converted material produced by a raw material manufacturer, the Supplier shall submit all pre- and post-conversion chemical/physical tests reports. When the post-conversion processes were applied, they shall be processed at ASES's and/or ASES Customer's approved sources.

4.2.4.3 K42: Acceptance/Conformance Test Report - Applicable for category types A1, A2, B1, B2, C, D, E1, E2, F, G, H, I suppliers, procured and subcontracted products, manufactured and on the shelf items.

The test report indicates the measured values from the end product in accordance with the product and/or product's procurement specification. It must be accompanied by all items delivered, showing conformance to all inspection/tests specified in the ASES purchase order or applicable specifications. If the test reports have to be provided by the manufacturers and their distributors in accordance with the related product specification, they must be provided without charge.

4.2.4.4 K43: Final Inspection Report - Applicable to all category types of suppliers and subcontracted and manufactured products.

The suitability of the criteria specified in the technical picture and /or documentation of the product should be confirmed by the final inspection of the supplier. The supplier should submit a report containing the final inspection results with the materials, that were carried out by its own staff to the ASES.

4.2.4.5 K44: 100 percent Inspection Reporting for Controlled Procurement -Applicable for category type F suppliers, procured, subcontracted, manufactured products and on the shelf items.

The Supplier shall submit 1 reproducible copy of all inspection documentation stamped by the responsible inspector showing 100% inspection for all characteristics noted on the drawings, for all parts submitted under this contract/purchase order.

4.2.4.6 K45: Shipping Documents - Applicable all category type suppliers, procured and subcontracted products, manufactured and on the shelf items.

Supplier shall furnish Commercial Shipping Documents/Packing List, capable of being photographically reproducible through two additional reproductions, showing the following (as applicable):

•P.O. Number

•Part Number(s)

•Description

•Qty ordered

•Qty shipped

• Lot/Date Code/serialization (as applicable)

• Any handling constraints or cautions such as, but not limited to:

• Optics; open only in clean room environments.

• ESD-sensitive items, open only at an approved ESD workstation.

• Moisture-sensitive components, open/store only in the humidity-controlled area.

• Shock-sensitive components (shock monitoring should be specified if required)

4.2.4.7 K46: Limited Life and Age Controlled (Shelf Life) Item Documentation - Applicable for category types A1, A2, A3, B, D, F suppliers, procured, manufactured and on the shelf items.

Products on this Order require the submittal of date of manufacture when shelf life is based on the date of manufacture, or date of shipment from the manufacturer when shelf life is based on the date of shipment, as appropriate, based on the specified method of shelf-life determination.

Upon shipment, the shelf life remaining shall meet the minimum shelf life specified on the order. If no shelf is specified, 80 percent of the shelf life shall be remaining on products on this order when shipped.

Refrigerated material must be properly packed in dry ice, the package must clearly show "refrigerated material at zero degrees Fahrenheit (-18 Celsius) - add dry ice when necessary.

For gaskets, the supplier shall provide, together with every shipment, identification data, such as material dimensions and cure date. These data must be marked on each package’s exterior.

• Certification must contain the following:

• Customer’s Order number

• Order part number

• Manufacturer’s name, lot, heat, batch, date code, and/or serial number (as applicable)

• Date of manufacture

• Date of shipment from the manufacturer (as specified on Order)

• Organization name, and Organization's point of contact

•Date

4.2.4.8 K47: Identification and Traceability - Applicable for all category types of suppliers.

External providers shall ensure traceability as required in applicable documentation and complete identification of all related documentation and elements such as raw materials, semi-products, detail parts, assemblies, equipment, drawings, 3D, models, etc through marking/tagging, assuring compliance with ASES's customer requirements unless otherwise stated.

Manufacturer lot/batch number of the raw material shall be applied to all identification applications during the procurement process and traceable to semi-product and end product manufacturing documentation.

If the product shall be traced and identified with a unique serial number, each product's production and acceptance documentation shall include all traceability information specific to serial numbers as well as shop order numbers.

All products including the delivered products shall be identified with traceability information in accordance with technical drawings, product specifications, and customer requirements if applicable.

Any loss of product traceability shall be managed as non-conforming output when detected.

4.2.4.9 K48: Vendor Specification-Product Data Sheet-Technical Data Sheet - Applicable for all category types of suppliers.

External providers shall provide the vendor specification, product data sheet or technical data sheet whichever applicable to the product for verification activities during receiving inspection at ASES and to include the procurement specification of product to purchase orders for future procurement activities.

If external providers could not provide the above-mentioned required documents because of any reason, written justification of such a condition shall be provided before accepting the purchase order or latest receiving of the product by ASES.

4.2.5 CUSTOMER REQUIREMENTS TO FLOW DOWN TO SUPPLIERS

4.2.5.1 K50: CUSTOMER APPROVED SOURCES – Applicable according to contract requirements.

Fulfillment of this purchase order requires the performance of special processes. Special processes shall be performed only by sources that have been surveyed and qualified/approved, by the ASES and/or ASES Customer. If the supplier needs to be approved by ASES's customer, customer-approved sources must be used otherwise ASES shall be informed, and approval must be obtained before proceeding with further operations.