

GENERAL – Supplier contribution to product or service conformity: The following clauses specify general as well as unique product requirements when specified by number on the purchase order. All CPI referenced purchase order clauses, terms and conditions must be flowed down through all subtier levels of the supply chain. CPI Malibu, their customer and Regulatory Agencies reserve the right of entry for verification of the quality of work, records and material at any place including subtier facilities at all levels. Suppliers at all levels of the supply chain are also expected to demonstrate ethical behavior in all matters pertaining to performance of all CPI contract requirements including and where applicable, the awareness of their contributions to product safety. Exceptions to these requirements, as noted on the purchase order, must be approved by CPI Quality Assurance prior to shipment. Supplier questions or requests for clarification should be directed to the appropriate CPI Malibu Procurement representative.

1. INSPECTION AT DESTINATION (CPI MALIBU):

Articles defined in the CPI Malibu Purchase Order are subject to inspection at destination (CPI Malibu) and will not be accepted if the supplier fails to submit the certification, process certification, FAIR documentation, test data, and/or any requested reports specified in the Purchase Order. (Ref. clauses 3, 6, 7, 12) Notwithstanding the inspection rights granted to the Buyer under Clause 2, entitled "Quality System/Inspection Requirements", representatives of the Buyer, Buyer's customer, and regulatory authorities (if required) shall be granted the right of access to all the Seller's facilities, including sub-tier suppliers, at reasonable times for the purposes of reviewing all applicable records to the Purchase Order upon request.

2. QUALITY SYSTEM/ INSPECTION REQUIREMENTS:

The CPI Malibu supplier shall maintain a Quality Assurance Program that, as a minimum, shall generate and maintain records and data of all inspections and testing performed for those articles provided to meet the requirements of the purchase order. ISO 9001 or AS9100 is preferred. The records shall show the status of articles, materials, evidence of inspections and tests performed and to include dates. The supplier shall execute this responsibility not only during their own production operations, but also in any procurement made in fulfillment of a CPI Malibu Purchase Order. The supplier shall provide objective evidence of product conformity when requested, regardless of the manufacturing source.

Change in Status: The Supplier's Quality System is subject to review and audit by CPI's Quality Representative. Any changes to the Supplier's Quality System or registration status, such as a change in certification (e.g. update, withdrawal, or disapproval) or registration body, must be forwarded to the CPI Quality Manager or QE within 30 days via Change of Information Request.

Sampling: Supplier may use sampling plans provided the sampling plans are in accordance with applicable military or government standards; such as ANSI/ASQC Z 1.4, ANSI/ASQ Z 1.9, Mil-Std-1916 or ARP9013. The supplier is responsible to verify the quality of all items delivered to Malibu.

3. CERTIFICATE OF CONFORMANCE:

A statement of conformance to the purchase order requirements must accompany each shipment or partial shipment. While it's preferred, a unique certificate it's not required and may be a statement of compliance on the shipping document itself. Certificates of Conformance must contain as a minimum, the CPI PO number, part number(s) and revision(s), serial number(s) (if serialized), lot number or batch number (if applicable), quantity and reference to any required specifications. This document must also exhibit a signature and printed name of the supplier's authorized quality representative (**or their stamp**) and date. C of C and all documents shall be legible if reproduced on copier.

When **RoHS** is a requirement of the PO, drawing or specification, a statement of compliance must be included in the certificate of conformance.

4. MALIBU, SOURCE INSPECTION:

If CPI Malibu inspection is required at the source of manufacture ("Source Inspection") the following steps must take place upon completion of the parts:

- a. Contact the CPI Malibu Buyer to schedule a Source Inspection date. The supplier must allow 48 hours for such coordination.
- b. The supplier's own inspection of the completed articles must be complete, including all certifications and other supporting paperwork.
- c. The supplier must make available any required drawings, specifications, or other related documents.
- d. The supplier must make available any tools, gages or other inspection instruments necessary to establish conformance of the articles. This includes personnel with the requisite skills to operate such devices.
- e. The supplier shall provide reasonable assistance and facilities to the CPI Malibu and/or Government/FAA representatives engaged in the activities related to CPI Malibu procurement.
- f. Any deviations from the design data must have a completed and approved "Supplier's Discrepancy Action Request" (SDAR). This form may be obtained through Quality Assurance or Purchasing.

5. CERTIFICATE OF CALIBRATION:

A Certificate of calibration must accompany the shipment for each item prepared in accordance with ISO/IEC 17025 and/or ANSI Z540.3 "Calibration System Requirements" (or equivalent industry standard). The standard under which the calibration was performed must be listed on the certificate of calibration.

6. FIRST ARTICLE INSPECTION:

This clause applies to any part that is a **CPI Malibu design**. All parts being manufactured by the supplier for the first time or manufactured to a newer revision requires a First Article Inspection Report (FAIR) submitted with the first shipment. The SAE AS9102 form may be used or the supplier's equivalent FAIR. Actual values of all characteristics and notes of the drawing must be recorded and the first article piece shall be tagged "First Article". Raw material and process certifications shall accompany the FAIR. A **Delta First Article** is required for revision changes. The supplier is required only to record the actual changes (delta) to the latest revision, providing the supplier has a CPI Malibu approved FAIR to the previous revision on file. The First Article Inspection report must accompany the product.

- **Balloon Drawing to accompany the FAIR:** A balloon drawing is a drawing with each characteristic or requirement clearly marked with unique identifier numbers which correlates to the FAIR. The numbers must be circled or boxed for easy visual identification; preferably in a clockwise direction.
- First Article Inspection (FAI) shall include all details and sub-assemblies which constitute the end item ordered. The First Article Inspection record shall not be considered complete until all non-conformities are resolved. **Prototype parts**, or parts built using methods different from that intended for the normal production process, shall not be considered as part of the first production run.
- The FAI requirement, once invoked, shall continue to apply even after initial compliance. Partial or complete re-accomplishment of the FAI for affected characteristics is required for the following events:
 - A change in the design affecting form, fit or function of the part.
 - A change in manufacturing source(s), processes, inspection method(s), location, tooling or materials with the potential of affecting form, fit or function.
 - When required as part of corrective action for a part number with repetitive rejection history (typically, a part with three repeated rejections or as required by the customer).
 - A change in numerical control program or translation to another media.
 - A natural or man-made occurrence that may adversely affect the manufacturing process.
 - A lapse in production for two years or as specified by the customer.

6A. KEY CHARACTERISTICS:

Inspection report of all "Key Characteristics" (Critical Dimensions) as indicated on the CPI Malibu drawing is required with each shipment.

NOTE: All "Critical Dimensions" are dimensions with a tolerance of .001" or less.

7. RAW MATERIAL CERTIFICATIONS:

One (1) legible copy of the original Mill **CHEMICAL AND/OR PHYSICAL TEST REPORTS** (as required by specification for each lot/batch/heat) must be attached to the C of C and must accompany each delivered shipment. The report must be identifiable to the product being delivered (PO and PN) and must show that the material/parts delivered are acceptable.

8. PROCESS CERTIFICATIONS:

Process certifications must accompany parts with each shipment made against this purchase order. Each certification must list the process specification shown on the Drawing and/or the Purchase Order and must be identifiable to the product being delivered.

8. A Lockheed Martin Processes: All processing must be performed by a Lockheed Martin approved processor. CPI Malibu suppliers must contact our QA group (805-383-1829) prior to using the LM processors to assure that processor is currently valid. This includes heat-treating, plating, painting, NDT etc. Lockheed Martin Processor are found at http://supplier.external.lmco.com/supplier/specproc_certs/specproc_cert_index.html

8. B RAYTHEON OR NADCAP APPROVED SUPPLIER

All Special Processing must be performed by a supplier on the Raytheon Approved Supplier list (ASL) or a processor who is NADCAP accredited for the specification being performed. Special Process Control Requirements shall apply to the following processes: Plating and Chemical Finishing Processes (Examples include, but are not limited to: Conversion Coating, Passivation, Oxide Coating, Anodic Coating, Vapor Deposited Coating, and Plating.), Welding and Brazing Processes (Examples include, but are not limited to: Fusion Welding, Spot Welding, Arc Welding, Resistance Welding, Friction Stir Welding, Electron Beam Welding, Brazing, and Diffusion Bonding.), Non Destructive Testing (NDT) Processes (Penetrant, Magnetic Particle, Radiography, Ultrasonic, and Eddy Current) and Heat Treating Processes (Examples include, but are not limited to: Annealing, Hardening, Tempering, Precipitation Hardening, Aging, and Case Hardening. Also included are thermal treatments specified by drawing callout such as Stress Relieving, Thermal Cycling and Stabilization Treatments). Supplier shall comply with Raytheon SL Quality Note (latest released revision). SL Quality Note can be found at <http://qnotes.raytheon.com/>

8. C RAYTHEON APPROVED PAINT SUPPLIER

The supplier and their sub-tier suppliers shall ensure they are approved by Raytheon for paint process being performed. Supplier shall comply with Raytheon CT Quality Note (latest released revision). CT Quality Note can be found at <http://qnotes.raytheon.com/>

9. REPAIR REPORT:

A Repair Report is required for each item. The report shall state what the failure was and an itemized listing of all reworked or replaced items by part number, name, and quantity. The report shall be signed by an authorized member of the firm's management.

10. FAILURE ANALYSIS REQUIRED:

Analysis should be very specific and address the primary cause of the failure. Supplier must indicate the root cause and corrective action taken to preclude failures of this nature to reoccur.

10. A Failure Reporting, Analysis and Corrective Action System (FRACAS):

The supplier shall support CPI Malibu in conducting a closed loop Failure Reporting, Analysis and Corrective Action System under the guidance of MIL-STD-2155. Supplier shall support and identify containment activities, root cause and corrective actions performed to resolve quality issues in their products.

11. RECORD RETENTION:

All records of test and inspection results, and administrative quality documentation required by contract or subordinate specifications (quality records) shall be retained by the supplier for a period of not less than **10 years** after the creation of the record unless a longer period is specified on the CPI Malibu purchase order. If the supplier subcontracts the record creation (for example: the supplier sending a part out for radiography), the supplier shall impose this same record retention period on their subcontractor.

Note: Electronic records have the same requirements, control, and retention as paper records. They must also be capable of maintaining data integrity for the retention period.

Suppliers not able or willing to retain records for 10 years must send all traceability records and records of test and inspection to CPI Malibu along with the part(s) provided under the PO. Reference clauses 6, 7, 8 and 12 for documents to be retained or provided.

12. TEST REPORTS:

Test reports must be attached to the C of C and be included with each shipment. These reports must include actual test results showing compliance to the specification and reference the purchase order number, supplier's name and address, specification number, part number, part name, date of test and, where applicable, serial numbers/lot number. These reports must be validated by an authorized QA representative. If equipment of sufficient capacity to test the articles is not available on-site, the items must be tested in a laboratory approved by CPI Malibu.

13. AGE SENSITIVE MATERIALS (SHELF LIFE):

For age sensitive materials, all items with limited shelf life shall be clearly marked with the manufacturer's name, type of material, shelf life, date of manufacture, and usability limiting date. All items must have a minimum of **80%** shelf life remaining at time of receipt.

14. SAFETY DATA SHEETS:

Where Safety Data Sheets (SDS) exist, the supplier shall provide a copy with each shipment.

15. ELECTROSTATIC SENSITIVE DEVICES (ESD):

All ESD sensitive materials and devices shall be processed in accordance with MIL-STD-1686 or ANSI/ESD S20.20 and packaged in ESD shielded bags and labeled as ESD sensitive with the appropriate labels. Devices should also be packaged to prevent damage during shipping and storage IAW industry standards. Sensitive materials received in unacceptable packaging will be rejected and returned at the supplier's expense. **Pink Poly or Clear plastic bags are Strictly Prohibited.**

16. DFARS CLAUSE 252.225-7008, RESTRICTION ON ACQUISITION OF SPECIALTY METALS:

This clause restricts the prime contractor and all suppliers at every tier from incorporating "Specialty metals" (as defined in the clause) into military parts, components and/or end item deliverables unless the specialty metals have been melted in the United States, its outlying areas, or a qualifying country listed in DFARS 225.872-1. Articles manufactured in a qualifying country, regardless of where the specialty metal may have been melted, are not subject to the requirement, but the United States is not a qualifying country for this purpose. Note that you are required to flow DFARS clause 252.225-7008 down to your suppliers with instructions that they must in turn flow the clause down to their suppliers.

17. IPC WORKMANSHIP STANDARD

Supplier shall comply with the applicable requirements of the IPC listed below:

PWB'S WORKMANSHIP STANDARD IPC-A-610 Class 3 (Acceptability of Electronic Assemblies)

CABLE AND WIRE HARNESS ASSEMBLIES

WORKMANSHIP STANDARD IPC/WHMA-A-620 Class 3 (Requirement and Acceptance for Cable and Wire Harness Assemblies)

18. FOREIGN OBJECT DEBRIS/DAMAGE PREVENTION (FOD):

To establish the requirements for the prevention of contamination or foreign objects from becoming entrapped in the supplier's product during manufacturing, assembly, testing, storage or handling.

The supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) prevention program for manufacturing areas to prevent introduction of foreign objects into any item delivered under this purchase order. The supplier shall employ appropriate housekeeping practices to assure timely removal of residual/debris generated, if any, during manufacturing operations and/or normal daily tasks. The supplier shall determine if sensitive areas that may have a high probability for introduction of foreign objects should have special emphasis controls in place appropriate for the manufacturing environment. The supplier shall determine the need for, and implement, FOD prevention awareness training programs. This program shall follow NAS 412 as a guide.

19. CALIBRATION OF MEASURING AND TEST EQUIPMENT:

The supplier must maintain a calibration program, in compliance with the latest revision of ISO/IEC 17025 ANSI Z 540.3, ISO 10012. The system must ensure the timely recall and calibration of all company and employee-owned measurement and test equipment used for product acceptance. Suitable records must be maintained and be available for review.

VENDORS PROVIDING CALIBRATION SERVICES:

All vendors will provide a certificate of calibration traceable to the **NIST**. The calibration services performed will be compliant with ANSI Z.540.3, ISO 10012 and ISO/IEC 17025. The standard(s) under which the calibration was performed must be listed on the certificate of calibration. Any items found to be out of tolerance shall be noted on the documentation returned with the items.

20. CHANGES:

During performance of the purchase contract, the supplier is required to give CPI Malibu written notice **prior to shipment** when:

- a) making any **product changes** to the manufacturing, assembly, testing or handling that could affect form, fit, function or interchangeability (Class 1); or,
- b) a change in supplier **name, ownership, or facility location**; or,
- c) a **transfer** of seller's manufacturing operations to another location.

The supplier shall notify their buyer of any of these *forementioned* changes in writing **30 days prior**, and forward a copy of the updated registration certificate (where applicable). The Buyer will instruct the supplier on formal notification actions and specific forms to submit, as necessary.

Note: When changing manufacturing location, a new first article is required when product is a CPI design.

21. NONCONFORMING MATERIAL:

The supplier must maintain a documented system to ensure nonconforming products are immediately identified as nonconforming and segregated, as size permits, from conforming products. Nonconforming materials shall be held in a designated and controlled area for review and disposition.

The supplier has Material Review authority for all article characteristics contained in the supplier drawings which are not specified requirements of the CPI Malibu procurement drawings or purchase agreement, and do not have a direct effect on form, fit, function, interchangeability and interface dimensions.

Any departures from CPI Malibu drawings, specifications, or other procurement requirements shall be submitted to CPI Malibu purchasing for review and consideration. These deviations from the design data must be approved by a completed **Supplier's Discrepancy Action Request" (SDAR)**. This form may be obtained through Quality Assurance or Purchasing. Unless specifically authorized, you do not have the authority to make use as is or repair dispositions of non-conforming material.

22. PACKAGING/PACKING/PRESERVATION/STORAGE:

The supplier shall ensure that all items are adequately packed and packaged to prevent damage or contamination during the normal course of shipment and to assure acceptance by common carriers. Best commercial practice may be used unless otherwise specified in the purchase order. Parts shall be individually wrapped, bagged, or otherwise protected to prevent part-to-part contact/damage when packaged within a larger pack. Finished parts shall be adequately protected to prevent damage during handling and shipment.

- **Newsprint shall not be** used for wrapping parts or as dunnage due to its acidic nature.
- **Staples shall not** be used at any time due to the possibility of foreign object damage (**FOD**).
- **No Packing Peanuts - technically known as expanded polystyrene loose fill.** Shipments will not be accepted and returned at the supplier's expense if item(s) are received packed with expanded polystyrene loose fill.
- **ESD** precautions shall apply as applicable on Electrical Components by using ESD shielded packaging.

23. MERCURY-FREE:

Materials delivered against this order cannot contain and have not come in contact with the element mercury (MC) or mercury compounds known to be chemically or thermally unstable. This statement shall be included in the Certificate of Conformance statement or be a stand-alone certification.

24. COUNTERFEIT PARTS PREVENTION:

The Seller shall ensure that only new materials are used in products required to be delivered to MALIBU. To further mitigate the possibility of the inadvertent use of counterfeit parts, the Seller must only purchase components and parts procured directly from the Original Equipment Manufacturers (OEMs) or through the OEM's authorized distribution chain. If purchased through an Independent Distributor, the Seller must make available to the Buyer, OEM documentation that authenticates traceability of the components to that applicable OEM. If the required items cannot be procured from these sources, use of product without appropriate traceability documentation from independent distributors (brokers) or other sources is **not authorized** unless first approved in writing by CPI Malibu. The Seller must present complete and compelling support for its request and include in its request all actions to ensure the parts procured are legitimate parts (this will include independent test results).

Examples of prominent suspect/counterfeit parts:

- a. Fasteners, nuts, bolts, hardware made of carbon steel (designated as grade 5 or 8) or stainless steel, with head marks or stamps shown on the head mark list prepared by the United States Customs Service (see latest revision).
- b. Electrical or electronic parts and components that are falsely identified and/or labeled, or properly identified, but passed as acceptable product when it's known to be nonconforming to specified OEM requirements.
- c. Piping, valves and flanges bearing labels that falsely indicate that the items meet recognized ASME, ASTM or other consensus standards, or falsely bear independent testing laboratory markings.
- d. Used or refurbished molded-case electrical circuit breakers or similar type switch gear.

If suspect/counterfeit parts are furnished under this PO and found in any of the goods delivered hereunder, such items will be impounded by the buyer. The seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the buyer and seller shall be liable for all costs relating to the removal and replacement of said parts. Buyer reserves all contractual rights and remedies to address grievances and detrimental impacts caused by suspect/counterfeit parts.

25. SUPPLIER CORRECTIVE ACTION REQUEST (SCAR)

All CPI Malibu requests for Supplier Corrective Action **require a response from the supplier**. These notices reflect Quality/Inspection concerns, and responses must properly address containment actions, root cause, corrective actions, verification, and actions to prevent recurrence that are instituted at the supplier's facility. The response must be returned within 30 days. Failure to respond to these requests may jeopardize continuation of business.

26. PROHIBITED MATERIALS:

Unless otherwise specified on the drawing or P.O., the use of zinc, cadmium, mercury, or pure tin (>97% Sn) is expressly prohibited.