

Appendix QC

Seller Quality Requirements (Standard Terms & Conditions)

The latest issue to this document is the version that is available on the Lockheed Martin Aero website:

www.lockheedmartin.com/en-us/suppliers/business-area-procurement/aeronautics/quality-requirements/quality-appendices.html

The terms "Item", "PO", and "Buyer" as used herein, have the same meaning as the terms "Work", "Contract" and "LOCKHEED MARTIN", respectively

- A. Seller shall provide and maintain a quality system acceptable to the Buyer and Buyer's customers for the supplies and services covered by this purchase order.
- B. Seller shall provide Buyer and Buyer's customers access to any and all areas, including those of subcontracted suppliers where work is being or is scheduled to be performed under this purchase order.
- C. Seller disposition of Buyer design non-conforming items are limited to scrapping of the material, elimination of the nonconformance by rework to engineering, or return to supplier. For items of Buyer design, Seller shall submit a SQAR to Buyer for disposition in accordance with instructions available at <https://sgm.external.lmco.com/Login.aspx>. Seller shall not incorporate any nonconformance into any product, process, procedure, or data unless and until Seller has obtained written approval from Buyer. Seller's continued processing of Buyer designed material containing a nonconformance prior to Buyer's MRB disposition is a Seller's risk.
Buyer and Buyer's customers shall have the right to refuse to accept any nonconformances. When Government Source Inspection (GSI) is a requirement of this purchase order, Seller shall submit material review dispositions to Seller's local Government representative for concurrence.
- D. Seller shall implement, and maintain a system that provides for identification, documentation, segregation, and disposition of nonconforming material and shall assure effective and positive corrective action is taken to prevent, minimize or eliminate nonconformances.
- E. Seller's purchase orders to sub-tier suppliers shall clearly reflect and define all processing and nondestructive testing requirements including special procedures, inspections, tests, and approval criteria as required by this purchase order. Seller shall assure appropriate specifications and other directives are available and used

by Seller's sub-tier suppliers. Seller shall require sub-tier suppliers likewise to incorporate documents and requirements in purchase orders to their subcontractors.

- F. Buyer shall have the right to perform in-process inspection, audits, and system surveillance at Seller's and Seller's sub-tier supplier's facilities as part of the verification of conformance to the requirements of this purchase order. Buyer shall have the right to utilize sample inspection methods for acceptance of product. If the sample is unacceptable, Buyer shall have the right to return all or part of the lot for credit or replacement.
- G. Seller shall prepare a Certificate of Conformance (CoC) with each shipment. This CoC shall certify that all items provided under this purchase order meet all applicable requirements. The CoC shall be included with the Seller's shipper to Buyer.
- H. When Buyer Source Inspection is required, Seller shall comply with the following:
 - 1. Seller shall present with each shipment, for review by Buyer's representative, the final inspection and test results, as applicable, and the CoC.
 - 2. Seller shall obtain evidence of Buyer representative's acceptance. If GSI is specified on this purchase order, Seller shall obtain evidence of Government acceptance prior to shipment.
 - 3. When modifications, repairs, or replacements occur after Seller's final inspection or test, Seller shall perform re-inspection and test of affected characteristics prior to presentation for Buyer acceptance.
- I. Seller shall maintain complete records of all manufacturing, inspection, and test. Records shall be made available to Buyer and Buyer's customers during the performance of this purchase order and at least three (3) years after completion of the purchase order and for such longer periods, if any, as may be specified elsewhere in this purchase order. Upon request by Buyer, records shall be forward to Buyer at no additional cost within 30 days of request.
- J. Upon return of nonconforming material by Buyer, Seller shall assess the identified nonconformance, complete a Supplier Responsibility Evaluation Document and forward to Buyer within 10 working days of receipt of material. The Supplier Responsibility Evaluation Document is available on Buyer's Forms page at: <https://www.lockheedmartin.com/en-us/suppliers/business-area-procurement/aeronautics/quality-requirements/forms.html>.