

Appendix QI

Intra-Lockheed Martin Work Transfer Agreement (IWTA)

Quality Requirements

The latest issue to this document is the version that is available on the Aero website www.lockheedmartin.com/en-us/suppliers/business-area-procurement/aeronautics/quality-requirements/quality-appendices.html

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LM Aeronautics (Aero), who is offering and assigning the Intra Lockheed Martin Work Transfer Authorization (IWTA) work and the Lockheed Martin business unit performing the IWTA work are mutually obligated to provide the capabilities, products and services needed to meet program and contractual requirements. Aero and the Performing Business Unit (PBU) shall function, view, and treat one another as team members in accomplishing the work assigned through the IWTA process.

1. **Quality Requirements:**

PBU shall meet the applicable requirements of the latest revision of Appendix QI in effect as of the date of this IWTA and Corporate Policy CRX-626 and prime contract requirement. PBU shall ensure all applicable QI requirements herein and other quality requirements in this IWTA are imposed upon, its agents and subcontractors at all tiers working on Aero product.

PBU shall comply with all requirements of the prime contract, including but not limited to, all referenced Defense Acquisition Regulations (DFAR), Federal Acquisition Regulations (FAR) and Code of Federal Regulations (CFR).

2. **Certificate of Conformance:** PBU shall:

- a. annotate in the delivery package any exceptions, e.g. variances, Supplier Quality Assurance Report (SQAR), Advanced Engineering Authorization (AEA), etc.; and
- b. ensure CoC is signed by PBU's Quality representative and include a copy of the CoC inside the shipping container and with shipping documents. For commercial aircraft

articles, components or services, an FAA 8130-3 or equivalent will be acceptable as a CoC.

3. Records: PBU shall:

- a. Maintain complete records of the following:
 - all manufacturing, inspection, test, CoC, and shipping; and
 - process capability or tooling controlled per TMS-MC-015, if applicable; and
 - all nonconforming material, dispositions, assignable causes, corrective and preventive actions, and effectiveness of corrective actions; and
- b. make such records available for at least three (3) years after completion of the CoC or for longer periods if specified elsewhere in this IWTA, Engineering specifications or Corporate Policy CRX-008; and
- c. maintain records of all Special Process "Work" performed or procured for at least seven (7) years after completion of this IWTA or for longer periods if specified elsewhere in this IWTA; and
- d. upon Aero's request, provide records of inspection tests of processed Items and process control tests to Aero.

4. Control and Processing Nonconforming Material and Corrective Action:

PBU shall:

- a. evaluate each nonconformance for its potential to exist in previously produced Items and notify Aero, in writing, by submitting a Supplier Disclosure Letter (SDL) on Items in transit or delivered to Aero in accordance with the following:
 - i. within 24 hours of the PBU's discovery of a potential or verified nonconformances impacting flight safety
 - ii. within 5 working days of PBU's discovery of all other potential or verified nonconformances, and
- b. utilize the instructions at www.lockheedmartin.com/en-us/suppliers/business-area-procurement/aeronautics/quality-requirements/corrective-action.html to submit an SDL; and
- c. provide effective corrective and preventive action upon request by Aero and when requested by Aero provide trend data.

5. Material Review Authority:

- a. PBU shall ensure PBU's quality system has capability to report nonconformances on Critical Safety Item (CSI) in full compliance with DFAR 252.246-7003.
- b. When Aero's customer has delegated oversight/surveillance of Aero's work to an onsite Government representative at PBU's facility, PBU shall submit all material review dispositions for Aero related work to the cognizant Government representative for concurrence when requested by the Government representative unless otherwise specified elsewhere in the IWTA.
- c. For PBU-designed Items, Material Review (MR) dispositions are limited to nonconformances that do not affect a parameter controlled by Aero drawing or specification, where form, fit or function, interchangeability, Critical Safety Characteristic ("CSC") related to Critical Safety Item ("CSI") service life or reliability is affected. PBU shall provide disposition of nonconformances, if any, affecting any such parameters to Aero for Major Variance approval as defined in this IWTA.
- d. For Items not designed by PBU, PBU MR processing is limited to scrapping of Items (unless Items contain Buyer furnished material), eliminating the nonconformance by

rework to engineering, or returning to vendor. PBU shall request repair or Use-as-Is disposition from Aero's Material Review Board (MRB). PBU's continued processing shall be limited to subsequent operations that do not hide, alter or limit the ability to inspect, disposition or repair the Item unless PBU has received written approval from Aero. When Aero has delegated MR to PBU for Aero-designed Items, PBU's process shall be limited to the scope provided in the MR delegation.

PBU's request for Aero MR disposition shall be submitted in accordance with instructions at www.lockheedmartin.com/en-us/suppliers/business-area-procurement/aeronautics/quality-requirements/supplier-quality-management-system.html

6. QCS-001 Requirements:

- a. QCS-001 sets forth both the controlled process list and the approved process sources. QCS-001 is located at www.lockheedmartin.com/en-us/suppliers/business-area-procurement/aeronautics/quality-requirements/supplier-quality-management-system.html . PBU shall have a system for approving special process sources or may utilize QCS-001 approved processes.
- b. PBU shall require and ensure all levels of sub-tiers be approved.

7. Federal Aviation Administration (FAA) Requirements:

When Items delivered under this IWTA are subject to FAA conformity, PBU shall have a quality system approved by the Federal Acquisition Regulations (FAR) Part 21, acknowledge that its quality system is subject to FAA audit without notice, and ensure compliance prior to acceptance of Aero IWTA. When Items delivered under this IWTA are subject to FAA certification, PBU shall obtain FAA conformity by an authorized FAA designee on first production Items as specified by Aero. PBU shall ensure Items requiring FAA conformity are accompanied by a properly authorized "FAA 8130-3" air worthiness approval tag.

When post-delivery "commercial aircraft" maintenance, repair, overhaul or modification services are delivered under this IWTA are subject to FAA conformity, PBU shall be certified to FAR Title 14, Part 145, have a quality system approved by the FAA, acknowledge that its quality system is subject to FAA audit without notice, and ensure compliance prior to acceptance of the IWTA.

8. **First Article Inspection (FAI)** – PBU shall establish and maintain internal processes for the accomplishment of each First Article Inspection (FAI).
9. **Metrics Reporting** – PBU shall provide quality performance metrics to Aero upon request or as required by the IWTA. The content and frequency of quality metric performance will be determined and agreed to by Aero and PBU.