

Appendix QX

Supplier Quality Requirements

The latest issue to this document is the version that is available on the Lockheed Martin Aero website: www.lockheedmartin.com/us/aeronautics/materialmanagement.html

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

Questions regarding this Appendix QX or the applicability of this Appendix QX shall be addressed to Buyer's Supplier Quality Engineer located at:
www.lockheedmartin.com/us/aeronautics/materialmanagement.html > under Quality Requirements > Information.

Buyer-unique documents (e.g., Q2A, Q30, TMS-MC-015, etc.) referenced in this PO are available from Buyer or Buyer's website at: www.lockheedmartin.com/us/aeronautics/materialmanagement.html > under Quality Requirements.

- 1.0 Quality Requirements:** Seller shall meet the applicable requirements of the latest revision of Appendix QX in effect as of the date of the Request for Proposal (RFP), unless otherwise amended by Buyer and Seller prior to PO issuance. Seller shall:
- a. ensure all applicable QX requirements herein and other quality requirements in this PO are imposed upon Sellers, its agents and subcontractors at all tiers working on Buyer's product; and
 - b. have and maintain internet access for obtaining requirements of this PO; and
 - c. ensure its quality system is third party registered by an accredited registrar listed in the "On line Aerospace Supplier Information System" (OASIS) and meets the quality system requirements identified in this Appendix QX, and
 - d. comply with the additional quality requirements contained in Table 1, as applicable.
 - e. ensure 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.
- 1.1 Quality System Changes and Customer Findings:**
- a. Seller shall notify Buyer's Supplier Quality Engineer (SQE), in writing by submitting the QX 1.1 Event Notification form available at: www.lockheedmartin.com/us/aeronautics/materialmanagement.html under Quality Requirements > Forms, within 10 days of any of the following:
 1. change in its quality system status; or
 2. loss of third party registrar's certification status; or
 3. change in Seller's quality organization, processes or procedures that are known to affect or could potentially affect conformity of any Item; or
 4. adverse action taken by a US Government entity (e.g. FAA, CAA, OSHA, DoD, EPA, etc.), third party registrar, International Government Agencies, or Nadcap to include, but is not limited to, any of the following:
 - i. Issuance of any major Level II or Level III Corrective Action Request associated with Buyer Items, Quality Management System or processes associated with Buyer Items
 - ii. Issuance of a major finding by a third-party registrar
 - iii. Suspension of Government Source Inspection
 - b. Seller shall provide actions taken or planned actions related to any events listed in 1.1.a.1 through 1.1.a.4 above with the written notification.
 - c. Seller shall provide within 30 days of the written notification the approved corrective actions taken in response to any adverse actions reported in 1.1.a.4 above.
 - d. Seller shall permit Buyer access to data in OASIS and Nadcap databases including registration documentation, certification, audit reports, findings, corrective actions, etc. Buyer reserves the right to input repetitive escape data and major audit findings regarding Seller into the relevant OASIS data base records for review by the Seller's Registrar or Certification Body.
- 1.2 Sale, Relocation, or Closure of Seller's Facility or Transfer of Manufacturing Operations:** Seller shall notify SQE and Buyer, in writing, at least 90 days in advance of any sale, relocation, or closure of Seller's facility or transfer of manufacturing operations (subject to any legal or regulatory restrictions). Seller shall include the following, as a minimum, in the written notification:
- a. purpose of the applicable change,
 - b. address of the new location(s), when applicable,
 - c. assessment of actual or potential impact to current POs,
 - d. risk mitigation plan to ensure compliance to existing requirements,

- e. plan defining the identification, storage, protection, retrieval and retention of records, if applicable,
- f. master schedule and timeline of applicable change activity, and
- g. relocation Coordinator/Point of Contact, if applicable

1.3 Language: Seller documents and records submitted to Buyer shall be in English.

1.4 Counterfeit Parts / Materials Prevention: For purposes of this clause, "Work" consists of those parts/materials delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, Commercial Off-the-Shelf items, standard hardware, goods, raw materials and assemblies). "Commercial Off-the-Shelf" (COTS) describes the purchase of packaged solutions available in the commercial marketplace that can be bought and used either out of the box or adapted to satisfy the needs of the purchasing organization. "Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part/material from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. "Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part/material is authentic. "Authorized aftermarket manufacturer" means an organization that fabricates a part under a contract with, or with the express written authority of, the original component manufacturer based on the original component manufacturer's designs, formulas, and/or specifications. "Authorized supplier" means a supplier, distributor, or an aftermarket manufacturer with a contractual arrangement with, or the express written authority of, the original manufacturer or current design activity to buy, stock, repackage, sell, or distribute the part. "Original manufacturer" means the original component manufacturer, the original equipment manufacturer, or the contract manufacturer.

NOTE: Extending the functionality of COTS products via customer development should be carefully considered due to the increased complications of: proper integration, long term support and maintenance implications, inconsistent and short-term availability, obsolescence of components, and essential additional integration and testing requirements.

- a. Seller shall not deliver Counterfeit Work or Suspect Counterfeit Work to Buyer under this Contract. Seller shall establish and maintain a Counterfeit Prevention and Control Plan (CPCP), using current versions of AS-5553 or AS6174 as content guidelines. The purpose of Seller's CPCP shall be to document a robust, risk-based process to prevent the delivery of and to control counterfeit or suspect counterfeit parts/materials. Seller's CPCP shall document the processes used to prevent, detect, mitigate, disposition, and report suspected or confirmed counterfeit parts/materials or assemblies containing same. Seller's counterfeit prevention process shall include training of appropriate personnel to ensure awareness, prevention and mitigation of Counterfeit Work and implementation of the counterfeit prevention processes. Seller shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.
- b. Seller shall only purchase parts/materials to be delivered to Buyer as Work directly from Authorized Sources of Supply. Authorized Sources of Supply include: The Original Manufacturer (OM) of the parts/materials, including mills and foundries, and Authorized Aftermarket Manufacturer (AAM) of the parts/materials, their Authorized Suppliers (AS),

or suppliers that obtain such parts/materials exclusively from the OM/AAM/AS. If Seller is unable to acquire parts/materials from the OM/AAM/AS because of non-availability from such sources, Seller may obtain parts/materials from another source only if Seller's inspection and other counterfeit risk mitigation processes are employed to ensure the authenticity of the Work, and Seller has received advanced written approval from the Buyer.

Seller is responsible for the authenticity of all parts/materials provided to Buyer and evidence of authenticity is subject to review by the Buyer and its customer upon request.

- c. Seller's processes shall include the means to provide to the SQE and Buyer, upon request, the supply chain traceability from the OM/AAM, including mills and foundries, to product acceptance by Buyer, including the name and location of all the supply chain intermediaries. If traceability is not obtainable Seller shall provide written notice to the SQE and Buyer prior to delivery, that includes records of evidentiary tests and inspections of authenticity in accordance with existing applicable industry standards. Seller shall maintain documentation of traceability or the inspection and testing authentication required and make such documentation available to Buyer and its customer upon request.
- d. Seller shall notify the SQE and buyer of the pertinent facts of a nonconformance in accordance with Appendix QX para 2.2, if Seller becomes aware or suspects that it has furnished Counterfeit Work. Suspect counterfeit parts/materials shall be treated as Nonconforming Items as they relate to the Seller notification process in accordance with Appendix QX para 2.2, including the quarantining and reporting of suspect parts/materials.
- e. Sellers eligible for utilization of the Government-Industry Data Exchange Program ("GIDEP") shall utilize the GIDEP process to alert the industry of encountered counterfeit parts/materials.
- f. Seller shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of parts/materials that will be included in or furnished as Work to Buyer.

1.5 Certificate of Conformance: Seller shall:

- a. prepare a certificate of conformance ("CoC") to assert the Items contained with the shipment are in compliance with all applicable requirements of this PO; and
- b. annotate in the delivery package any exceptions, e.g. variances, Supplier Quality Assurance Report ("SQAR"), Advanced Engineering Authorization ("AEA"), etc.; and
- c. ensure the CoC is signed by a Seller's quality representative; and
- d. include a copy of the CoC inside the shipping container.

NOTE: If the Point of Acceptance on the PO is Buyer Accept, only include a copy of the CoC with the shipment and retain all other build, test and inspection data at Seller's facility.

Provision for Alternate Acceptance DD250 Process:

When authorized in writing by Buyer's customer, Seller shall ship with a Certificate of Conformance any supplies for which the contract would otherwise require government inspection at source. The CoC shall be in the format outlined in FAR 52.246-15.

1.6 Quality Records:

- a. Seller shall:
 1. Maintain complete records of the following:
 - i. all manufacturing, inspection, test, CoC, and shipping; and
 - ii. process capability or tooling controlled per TMS-MC-015, if applicable; and
 - iii. all nonconforming material, dispositions, assignable causes, corrective and preventive actions, and effectiveness of corrective actions; and
 2. make such records available for at least three (3) years after final payment of this PO or for longer periods if specified elsewhere in this PO; and
 3. maintain records of all QCS-001 "Work" performed and/or procured in accordance with Appendix QX para 2.4 and 2.5 for at least seven (7) years after final payment of this PO or for longer periods if specified elsewhere in this PO; and
 4. Upon Buyer's request, forward copy of Quality Records to Buyer.
 5. If Seller ceases operations, Seller shall notify Buyer in writing within ten (10) business days of decision to cease operations and transfer records to Buyer in accordance with Buyer direction and information available at www.lockheedmartin.com/content/dam/lockheed-martin/aero/documents/scm/Quality-Requirements/Information/RecordsShippingAddress.pdf

1.7 Government-Industry Data Exchange Program (GIDEP) Membership: If Seller is eligible for GIDEP membership, Seller is required to be a member of GIDEP.

1.8 Buyer-Certified Materials: Seller shall establish and maintain controls to prevent the use of non-certified materials when Buyer-certified materials (e.g. Engineering Materials and Approved Products [EMAPs]) are required.

1.9 Calibration: Seller shall maintain a system for calibration and maintenance of tools, jigs, inspection and test equipment that is compliant with an industry-recognized standard (e.g. ISO 17025, ISO 10012-1, ANSI Z540).

1.10 Buyer-Furnished, Seller-Manufactured or Seller-Owned Tooling:

- a. Seller shall include in its documented quality system written procedures for the control, maintenance, and calibration of special tooling, jigs, inspection and test equipment, and other devices used in manufacturing processes.
- b. Seller shall comply with the requirements of Buyer's tooling manual (TMS-MC-015) for Buyer-Furnished, Seller-Manufactured or Seller-Owned tooling.

1.11 Quality System Requirements: Seller shall have a current third-party certification from an accredited registrar listed in the "On line Aerospace Supplier Information System" ([OASIS](#)) per the following criteria. For all products AS/EN9100 is required, except as defined below:

- a. AS/EN9120 is required for suppliers performing as Distributors. Suppliers acting as distributors with AS9100 certification must have a Scope of Approval that includes Distribution if AS9120 certification is not held
- b. AS9110 is required for suppliers performing Maintenance, Repair or Overhaul (MRO) activity on product for which they are not the OM. OMs with AS9100 certification must have a Scope of Approval that includes MRO activity if AS9110 certification is not held
- c. ISO-9001, as a minimum, is required for suppliers providing:
 - i. ground support equipment,
 - ii. manufacturing support equipment, or
 - iii. material/product for any program other than F-35

Table 1 – Additional Quality Clause Requirements

Commodity / Product/ Service	FAA Conformity Certifications	Fit Check	Software / Firmware	FAI	FOD	FAA	C130J / LM100J	Tooling Inspection	Maintenance, Repair and Overhaul	Variability Reduction
	Q1R (as applicable)	Q3R (C-130)	Q6R (Applies to deliverable and non-deliverable software & firmware)	Q2A & AS/EN 9102	Q4R	Q10R	Q11R	Q16	Q17	Q30 (Measurement Plan) AS9103 (Variability Reduction) (F-35)
<ul style="list-style-type: none"> LM Aero Build-to-Print Metallic & Non-Metallic Parts Finished Castings & Forgings Sheet Metal Machined Parts Structural Assemblies/Details Honeycomb Core Composite Parts 		X	X	X	X					Q30 and AS9103
<ul style="list-style-type: none"> Metallic Raw Materials (Bar, Rod, Plate, Sheet, Extrusions, etc.), including Cut-to-Size 					X					
<ul style="list-style-type: none"> Product or Services controlled by FAA requirements 	X				X	X				
<ul style="list-style-type: none"> C130J / LM100J Specific Quality Requirements 					X		X			
<ul style="list-style-type: none"> Non-Metallic Raw Materials (Chemicals, Paints, Adhesives, Lubricants, Tapes) Composite Materials 					X					
<ul style="list-style-type: none"> Electrical Hardware/ Components Mil-Spec Standard Hardware LM Aero Special Hardware Miscellaneous Hardware and Bearings Detail Parts Controlled Under Manufacturer's Part Number Support Equipment (SE) & Details of SE 					X					
<ul style="list-style-type: none"> Electrical, Mechanical, Avionics (equipment, assemblies, sub-assemblies, details, harnesses and major components), including jet engines and propellers 			X	X	X					AS9103
<ul style="list-style-type: none"> Ground Support Equipment 			X		X					
<ul style="list-style-type: none"> Raw Castings & Forgings 				X	X					
<ul style="list-style-type: none"> Aviation Fuel/Oil 					X					
<ul style="list-style-type: none"> Perishable Tooling 			X		X			X		
<ul style="list-style-type: none"> Tooling 					X					
<ul style="list-style-type: none"> Software 			X							
<ul style="list-style-type: none"> Maintenance, Overhaul and Repair of Government/ Foreign Military Sales assets 			X		X				X	
<ul style="list-style-type: none"> Distributors¹ 				X	X					

*Table 1 Definition:

- Distributors (1) – This standard is for use by organizations that procure parts, materials and assemblies and resells these products to a customer in the aviation, space and defense industries. This includes organizations that procure products and split them into smaller quantities including those that coordinate a customer controlled service on the product.

2.0 Point of Acceptance: The point of acceptance is indicated on each PO issued.

When this PO requires Buyer Accept at Source, Buyer acceptance can involve periodic surveillance by Buyer of Seller's quality system, manufacturing processes or physical Item, including work at Seller's sub-tiers. Based on Seller's performance, Buyer acceptance activities may result in the requirement for full-time oversight of Seller's or Seller's agents and subcontractors.

Buyer acceptance, prior to shipment, shall be performed at the Seller's facility address referenced on Buyer's PO. If Seller's Item manufacture, acceptance or shipment will occur at location other than the contracted PO address, Seller shall perform the following prior to the start of manufacturing activity:

- a. provide Buyer's SQE with Seller's written plan at least 30 days prior to manufacturing activities that, as a minimum, contains the following:
 1. Seller or subcontractor name and location where Item manufacture, acceptance or shipment will occur,
 2. how Seller will be performing acceptance of product from agents' and subcontractors' locations or manufacturing sites,
 3. upon request, example of Seller's purchase order to validate appropriate flow down of Buyer's requirements,
 4. date that manufacturing activity will begin,
 5. assessment of actual or potential impact to current POs, and
 6. risk mitigation plan to ensure compliance to existing requirements, and
- b. obtain Buyer's SQE acknowledgement of above, prior to start of manufacturing activity. Buyer's SQE acknowledgement signifies Seller's compliance with Appendix QX para 2.0.a and no additional Seller plans are necessary unless a change in location of product manufacture, acceptance or shipment occurs. Reflect Seller's contracted Supplier name and location, regardless of the point of final acceptance or delivery, in Seller's shipping document and CoC.

2.0.1 – Prior to shipment of Items designated “BUYER ACCEPT AT SOURCE”, Seller shall:

- a. obtain final acceptance from Buyer's SQE, or
- b. request and obtain authorization from Buyer's SQE for shipment, or
- c. sign or stamp and date Seller's shipping document to indicate acceptance of Item(s) by Seller's quality assurance personnel, when Buyer has delegated end item acceptance, in writing to Seller.

2.0.2 – Prior to shipment of Items designated “BUYER AND GOVT ACCEPT AT SOURCE”, Seller shall comply with Appendix QX para 2.0.1 and obtain final acceptance from the assigned Government representative

2.0.3 – When Buyer has not provided Seller with prior written authorization to act on Buyer's behalf, Seller shall notify Buyer's SQE normally servicing Seller's facility, no more than five (5) days after receipt of this PO, when PO calls for “BUYER ACCEPT AT SOURCE” or “GOVT & BUYER ACCEPT AT SOURCE”. Seller's notification shall include PO number, date of scheduled shipment and any special security clearance required to perform Buyer activities.

2.0.4 – When Buyer has not provided Seller with prior written authorization or electronic notification to act on Buyer’s behalf, Seller shall notify Buyer’s SQE a minimum of two (2) working days prior to Items being ready for shipment, when this PO calls for “BUYER ACCEPT AT SOURCE” or “BUYER AND GOVT ACCEPT AT SOURCE”.

2.1 Facility Access:

- a. Regardless of Buyer’s or Buyer's Customer Point of Acceptance on this PO or whether Buyer's customer has issued a delegation for this PO, Seller shall provide or obtain for Buyer, Buyer’s customers and regulatory agency personnel, access to any and all facilities where work is being performed or is scheduled to be performed, including those facilities of Seller’s agents and subcontractors, in order to perform Item inspections, surveys or system/process surveillance as part of verification of conformance to the requirements of this PO. Seller shall include the provisions of this facility access requirement in its POs with its agents and subcontractors, for this PO.
- b. Seller shall provide the following to Buyer, Buyer’s customers or regulatory agencies:
 1. suitable facilities at Seller and Seller’s subcontractors’ manufacturing locations for Buyer, Buyer’s SQE, Buyer’s customer and regulatory agency representatives to perform Item inspections, surveys or system/process surveillance, and
 2. high speed internet access for Buyer’s SQE.

2.2 Corrective Action, Preventive Action, Request and Reporting: Seller shall:

- a. ensure effective corrective and preventive action is taken (including repetitive nonconformances dispositioned “Use-As-Is” or “Repair” by Buyer’s or Seller’s Material Review Board (“MRB”) actions) to prevent, minimize, or eliminate nonconformances; and
- b. evaluate each nonconformance for its potential to exist in previously produced Items and notify Buyer, in writing, by submitting a Supplier Disclosure Letter (SDL) to buyer on Items in transit or delivered to Buyer or Buyer’s customers in accordance with the following:
 1. within 24 hours of the Seller’s discovery of a potential or verified nonconformances impacting flight safety
 2. within 5 working days of Seller’s discovery of all other potential or verified nonconformances, and
- c. utilize the instructions located at www.lockheedmartin.com/us/aeronautics/materialmanagement.html > under Quality Requirements > Corrective Action to submit a SDL, and
- d. provide effective corrective and preventive action upon request by Buyer and, when requested by Buyer, provide trend data; and
- e. assess all Buyer-identified nonconformances, whether Item(s) was/were returned to Seller, and take appropriate actions to ensure causes of nonconformance are corrected;
- f. Notify Buyer’s SQE and buyer when the seller cannot verify a Buyer reported nonconformance.

2.3 Control of Nonconforming Product / Material Review Process:

2.3.1 – Buyer and Buyer’s customers have the right to refuse to accept all Seller nonconformances.

2.3.2 – Seller shall ensure Seller’s quality system has capability to report nonconformances on Critical Safety Items (CSI) in full compliance with Defense Federal Acquisition Regulation Supplement (“DFARS”) 252.246-7003.

2.3.3 – When Buyer’s customer has delegated oversight/surveillance of Buyer’s work to a cognizant Government representative at Seller’s facility, Seller shall submit all material review dispositions for Buyer-related work to the cognizant Government representative for concurrence when requested by the Government representative.

2.3.4 – Buyer has the right to limit or eliminate Material Review (MR) processing on work defined by this PO.

2.3.5 – Seller MR for Seller-designed or Buyer-designed Items is not applicable to Buyer Furnished Equipment (BFE). Seller shall not scrap Items where BFE has become an integral, inseparable part of an assembly without prior, written authorization from Buyer.

Seller shall request Buyer MR disposition of nonconforming BFE in accordance with Buyer instructions located on Buyer’s website at:
www.lockheedmartin.com/us/aeronautics/materialmanagement.html > under Quality Requirements > Supplier Quality Management System. Seller shall identify equipment or Items as BFE within the request. A User Guide is available from Buyer’s website. BFE is equipment or Items provided to Seller from Buyer and therefore not procured or built by Seller. Seller’s continued processing is not allowed pending Buyer’s disposition.

2.3.6 – For Seller-designed Items, MR dispositions are limited to nonconformances that do not affect a parameter controlled by Buyer drawing or specification, where form, fit or function, interchangeability, Critical Safety Characteristic (CSC) related to CSI service life or reliability is affected. Seller shall submit requests for recommended disposition of nonconformances, if any, affecting any such parameters to Buyer for Major Variance approval as defined in this PO.

2.3.7 – For Buyer-designed Items, Seller MR processing is limited to scrapping of Items, eliminating the nonconformance by rework to engineering, or returning to vendor. Seller shall request repair or Use-as-Is disposition from Buyer’s MRB. Seller’s continued processing shall be limited to subsequent operations that do not hide, alter or limit the ability to inspect, disposition or repair Item unless Seller has received written approval from Buyer.

When Buyer has delegated MR to Seller for Buyer-designed Items, Seller’s process shall be limited to the scope provided in the MR delegation, and Seller shall comply with the terms of Appendix QX para 2.3.3 as stated herein.

Seller’s request for Buyer MR disposition of Seller or Buyer-designed Items shall be submitted in accordance with Buyer instructions located at:
www.lockheedmartin.com/us/aeronautics/materialmanagement.html > under Quality Requirements > Supplier Quality Management System.

2.3.8 – When requested by Buyer, Seller shall provide Buyer’s SQE with Seller’s MRB disposition information related to Buyer’s Items.

2.4 QCS-001 Requirements for Buyer-Designed Items:

2.4.1 - QCS-001 sets forth both the process sources and the processes that require Buyer approval, prior to use for Items delivered to Buyer QCS-001 is located at
www.lockheedmartin.com/us/aeronautics/materialmanagement.html under Quality Requirements > Supplier Quality Management System. For those special processes that are not covered by QCS-001 the Seller shall have a system for approving special process sources.

Seller is not required to utilize QCS-001 sources or provide QCS-001 Quarterly Usage Reports when processing the following:

- a. standard hardware (nuts, bolts, washer, etc.) ordered to military, federal or industry specifications or standards (e.g., MS, AN, NAS, etc.), or
- b. metallic raw material (plate, sheet, bar, extrusion, etc.), or
- c. perishable tooling and Tool Service Requirements List ("TSRL") Items.

2.4.2 – Seller, its agents and subcontractors at all tiers working on Buyer's product shall meet all requirements of the latest version of Appendix QJ in effect as of the date of the Request for Proposal (RFP), unless otherwise amended by Buyer and Seller prior to PO issuance, when Seller, its agents and subcontractors are performing any Buyer-controlled process identified in QCS-001.

2.4.3 – Seller's utilization of Buyer-approved or Nadcap accredited sources does not relieve Seller from the obligations to ensure subcontracted sources are in full compliance with applicable process specifications and to deliver conforming Items. Upon request by Buyer, Seller shall provide objective evidence that such compliance was attained and that such conforming Items were delivered.

2.4.4 – Buyer authorizes Seller to use Nadcap accredited sources for Industry Standard processes controlled by QCS-001. Seller may access Nadcap approved sources at <http://www.pri.sae.org> or <http://www.eauditnet.pri.sae.org>. Buyer shall have the right to validate any Nadcap approved source or process using normal survey practices, and shall have the right to disapprove Seller's use of any such source relating to this PO.

2.4.5 – Seller shall be responsible for providing special process source with the appropriate revision level of the process standards/specifications prior to performing processing.

2.4.6 – Seller shall ensure all Seller sub-tier POs or associated PO documents for Buyer-controlled processes include the following data elements.

- a. Seller's unique LM Aero identification number ("vendor code"), and
- b. all QCS-001 controlled specifications including revision for which processing which will be performed, and
- c. Buyer unique "process codes" for each Buyer-controlled process to be performed, and
- d. applicable program Finish Specification and revision, and
- e. a statement with the words, "Processing directly related to a Lockheed Martin Aeronautics Company Purchase Order (PO) must be accomplished in accordance with process specifications on this PO and Lockheed Martin Aeronautics Company Appendix QJ", and
- f. a statement that Seller's sub-tier must file and maintain a copy of all POs containing the above statement and make these available for review by Buyer, upon request, and
- g. a statement that Seller's sub-tier must submit a CoC with a unique certification number which contains the elements listed in QJ, and
- h. fracture durability classification or serialization, when required, and
- i. a statement to ensure Seller's sub-tiers suitably wraps, boxes or racks parts to guard against shipping damage and to apply rust or corrosion protection.

2.4.7 – Seller shall maintain special processing activity data on each Buyer-approved process performed for Buyer including processes performed by Seller on Buyer Items, or any QCS-001 source utilized, and Seller shall compile a quarterly Usage Report of this activity data and submit it to Buyer from the link at <https://sqm.external.lmco.com/Login.aspx>.

Seller shall also include in this Usage Report all special processing activity accomplished. Seller shall submit the Quarterly Usage Report within fifteen (15) calendar days after the end of each calendar quarter, even if no QCS-001 sources were utilized during a calendar quarter. Usage Reports shall not be input prior to the end of each calendar quarter. Seller's Usage Report shall consist of processing activity accomplished in the following activity categories:

- a. Seller subcontracting special processing activity to QCS-001 or Nadcap approved sources, or
- b. Seller performing special processes on Buyer Items for other Buyer suppliers, or
- c. Seller performing special processes on Buyer Items the Seller manufacturers, or
- d. Seller's sub-tier manufacturing sources who subcontract special processing activity to QCS-001 or Nadcap approved sources.

NOTE: Usage Reporting is not required when Seller is performing QCS-001 processes for non-Buyer POs.

2.5 QCS-001 Requirements for Seller-Designed Items: Seller has the authority and responsibility to approve and control its special processing sources including in-house processes. Seller is not required to use those sources or specifications listed in QCS-001.