

MMIST Supplier Manual

MMIST Inc.

QLTY-MAN_2 Revision: 0

Purchasing Process Owner

Date

Quality Process Owner

Date

President

Date

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1 Purpose

The purpose of this manual is to specify MMIST requirements for suppliers in order produce quality products.

All material shall be processed, controlled inspected, and tested in accordance with the requirements contained in this manual and any other relevant MMIST specification, as applicable. It is important to highlight the important contributions of MMIST suppliers to MMIST finished products. It is equally important to understand the impact of delayed receipts, nonconforming parts, or incorrect documentation on building and delivering a quality product on-time and on-budget.

2 Scope

The requirements included in this manual apply to all MMIST suppliers providing production parts, materials, special processes and services to MMIST.

3 References

3.1 Standards

- [S1] AS 9100D Quality Management Systems – Requirements for Aviation, Space and Defense Organizations
- [S2] AS 9102B Aerospace First Article Inspections

3.2 MMIST QMS

- [Q1] QLTY-POC_1 MMIST Purchase Order General Terms & Conditions

4 Terms & Abbreviations

Terms	Description
Approved Supplier List	A list of suppliers whose products are directly used in MMIST products. Status includes: approved, conditionally approved and disapproved. Only approved and conditionally approved suppliers can be used by MMIST.
Certificate of Compliance	A document provided by the Supplier and certified by a competent authority that provided goods or services meet all the required specifications. Used interchangeably with Certificate of Conformance.
Country of Origin	The country of manufacture, production, or processing where an end product originates. Note that specific country of origin requirements may be governed by legislation and other contractual agreements.
Counterfeit	A suspect part that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by a Supplier in the supply chain.
Drop Shipment	An authorized shipment arranged from the supplier directly to MMIST's customer.
Repair	Act of reprocessing a defective part to a reduced defect state (to a deviated but MMIST acceptable condition) and not to be completely defect free condition; any such processing of the part requires prior approval from MMIST.
Rework	Act of reprocessing a defective product, through use of original or equivalent process, in a way that assures compliance of the product with applicable drawing or specifications. It is also a disposition type used when defect can be reprocessed to conform completely to the drawing, specification or contract requirement.
Seller	Used interchangeably with Supplier.
Special Process	Those processes which cannot be verified by MMIST prior to installation or delivery. Typically, these processes can only be tested or inspected by destructive testing. Examples include: Welding, brazing, plating, heat treating, non-destructive testing, etc. Note that MMIST may elect to control certain processes as though they were special processes even if they do not meet the definition listed here.
Supplier Status	Communicates the approval status of a Supplier. Allowable status states are: <ul style="list-style-type: none"> • Approved • Conditional • Under Consideration • Probation • Disqualified

Abbreviations	Description
ESD	Electrostatic Discharge
dFAIR	Delta First Article Inspection Report
FAIR	First Article Inspection Report
FOD	Foreign Object Debris/Damage
ISO	International Organization for Standardization
ITAR	International Traffic in Arms Regulations
MMIST	Mist Mobile Integrated Systems Technologies, Inc.
NIST	National Institute of Standards and Technology
RMA	Return Merchandise Authorization (RMA)
R&D	Research & Development

5 Requirements

5.1 Required Documents

To conduct business with MMIST, the Supplier must have the following documents signed and on file. Additional documents may be required based on engineering, business, or other needs.

5.1.1 Non-Disclosure Agreement

- (a) Suppliers shall not disclose to third parties or use design data belonging to or purchased by MMIST for any purpose other than the production and support of products and services to be supplied to MMIST. This applies to all MMIST products except where agreements have been reached with MMIST that allow the Supplier specific rights to the use of the design data.
- (b) No confidentiality provision in any NDA or other agreement with MMIST shall be construed to prohibit or restrict the Supplier from lawfully reporting waste, fraud or abuse related to the performance of a contract to a designated investigative or law enforcement representative authorized to receive such information.

5.1.2 MMIST Compliance Statement

The documents, drawings, etc. supplied by MMIST to each of its suppliers may constitute as Technical Data within the definition of the U.S. International Traffic in Arms Regulations (ITAR) and are subject to the export control laws of the United States. Transfer of this Technical Data by any means to a foreign person or foreign entity, whether in the United States or abroad, without prior export license or other approval from the U.S. Department of State, is prohibited.

5.2 Supplier Information Maintenance

It is the responsibility of the Supplier to inform MMIST of changes to any of the following information:

- ISO certification
- AS certification
- Address information
- Email address information
- Financial information
- Primary contact information

Changes must be communicated to MMIST through the Buyer.

5.3 Purchase Order Agreement

5.3.1 Acknowledgement

An affirmative acknowledgement of a MMIST Purchase Order incorporating referenced specifications constitutes the Supplier's acceptance of those specifications. Acknowledgement is registered via a Supplier document, email to the Buyer or performing any part of the purchase order.

5.3.2 Requirements

The requirements outlined in this manual are applicable to all MMIST orders to suppliers. In addition, the Purchase Order may cite specific numbered quality clauses. When referenced, compliance to those clauses is required, and acceptance or performance of the order is a record of the Supplier's understanding and compliance to those requirements.

5.3.3 MMIST Drawings

MMIST are generally fully dimensioned and models are provided as required. Most MMIST models exist in Solidworks or SolidEdge which can be sent at STP or IGS. Please contact the Buyer to make other arrangements.

5.3.4 Cost Recovery

Costs associated with product that does not conform to MMIST requirements may be charged back to the Supplier. Total costs may include both material and non-material charges.

5.4 Shipments

5.4.1 On-Time Delivery

The Supplier shall meet all scheduled delivery dates as specified in the MMIST Purchase Order. If the Supplier becomes aware of any circumstances that are likely to delay the delivery date, the Supplier shall immediately notify the Buyer, in writing, stating the reason for the delay and the new time for delivery. For overseas products, this notification should be given no later than 30 days before the promised date. For all other products, notification should be provided no later than 48 hours before the promised date.

The Supplier shall seek authorization from MMIST if they wish to deliver any parts more than five days earlier than the promised delivery date. In case of delay in delivery without proper notification, MMIST reserves the right to cancel the Purchase Order without liability to MMIST or any other third party.

Unauthorized over shipments and early shipments may be returned at the Supplier's expense. The Supplier shall be liable for all storage/handling charges incurred as a result of over shipments and early shipments.

5.4.2 Drop Shipments

- (a) Parts and material are not to be shipped to MMIST without final inspection by the Supplier prior to approval by MMIST.
- (b) In the rare case where a drop shipment from a Supplier's subcontractor to MMIST is required and not indicated on the Purchase Order, a written approval by the relevant Quality Engineer must be provided. The preferred method of written approval is to use the Supplier Request Form.
- (c) In the case where the Purchase order requires drop shipment of MMIST owned material to the Supplier, the Supplier is responsible for the inspection and handling of material as specified in the MMIST Purchase Order.

5.4.3 Returns

If communicated as a requirement by the Supplier, the Buyer will request a Return Merchandise Authorization (RMA) prior to shipping material, parts or products.

5.4.4 Packaging

All items must be adequately preserved, packaged, handled, and contained to prevent deterioration and damage during shipment. Each lot or batch shall, as far as practical, consist of units of product of a single type, grade, class, size and composition, manufactured under essentially the same conditions and at essentially the same time.

When shipping multiple Purchase Order line items, the Supplier shall segregate multiple lots of the same part number. Product submitted against a single purchase order line should consist of units manufactured under essentially the same conditions and at essentially the same time. In cases where this is not achievable, lots shall be segregated and appropriately identified within the shipment.

Damage during transit may be the responsibility of the Supplier, if inadequate packing is identified as a contributing cause.

5.5 Order of Precedence for Technical Documents

In the event of a conflict in requirements between technical documents, the following order of precedence shall prevail:

- (a) Purchase Order/Contract (note this includes requirements flowed on the Purchase Order or contract, including MMIST Purchase Order Terms and Conditions.)
- (b) Drawings
- (c) Specifications cited in drawings

Questions and/or concerns shall be directed to the Buyer. The configuration requirements specified in the Purchase Order will contain applicable drawings, associated revision levels, supplemental drawing data, quality flow-downs, and customer flow-downs.

6 Supplier Quality Requirements

6.1 General

6.1.1 Conformance

The Supplier shall ensure that material provided to MMIST conforms to all Purchase Order specifications and drawing requirements, whether processed by the Supplier or procured from subcontractors. Test, inspections, and record retention requirements, in addition to those required by MMIST drawings, may be incorporated in specifications and/or Purchase Orders in specific terms.

Neither surveillance, inspection and/or tests may be MMIST or its representatives at either the Supplier's or the MMIST's facility nor the Supplier's compliance with all applicable product assurance requirements shall relieve the Supplier of the responsibility to furnish items which conform to the requirements of the Purchase Order.

6.1.2 Quality System Requirements

The Supplier must be able to maintain a quality system that meets or exceeds industry standards and ensures adequate product conformance and appropriate objective evidence to meet usual business responsibilities. Suppliers are required to maintain a quality system that meets or exceeds ISO 9000 (current revision) or AS 9100 (current revision). If a Supplier does have a certified quality management system that meets or exceeds ISO9001, an implementation or other risk reduction plan will be implemented that can include any or all elements defined in ISO 9000.

The Supplier shall notify MMIST within two working days if any previously held ISO, AS or NADCAP certifications are revoked or suspended. Failure to notify MMIST of such revocation shall constitute a breach of contract and may result in termination of any outstanding Purchase Orders.

6.1.3 Quality Plan

Where applicable and depending on the criticality of the product, a quality plan for the processing and final inspection of the product shall be developed.

6.1.4 Configuration Management

For Supplier controlled drawings of MMIST parts, the Supplier shall maintain a specific and unique part number with revision control for MMIST. No significant change affecting the design or manufacturing process or location shall be made without prior written authorization from MMIST using the Supplier Request Form. Significant changes include, but may not be limited to:

- Changes that affect performance
- Size
- Functional performance
- Material
- Other
- Integration system compatibility
- Function
- Testing requirements
- Material types

6.2 Production & Process Control

6.2.1 Process Validation Plan or Production Part Approval Process

A process validation plan shall be developed for the processing of MMIST products when required as indicated on the Purchase Order. This plan shall be approved by MMIST Quality and account for all contracted Key Process Characteristics (KPCs), identified Key Process Measures (KPMs) and selected drawing characteristics. This requirement is beyond First Article Inspections (FAIR).

When MMIST delegates verification activities to the supplier the scope and requirements for delegation shall be formally defined and a register of delegations shall be maintained. MMIST will periodically monitor and the suppliers delegated verification activities.

Where required, the supplier may be requested to supply test specimens for design approval, inspection, verification, investigation or auditing.

6.2.2 Product Traceability

The Supplier shall have a documented plan for maintaining traceability of the product, components, parts, special processes, and material. This is usually captured through work orders or travelers.

6.2.3 Statistics Process Control

The Supplier shall ensure that a process is in place that is capable to meet the drawing requirements. SPC is a tool that can ensure capability and is encouraged, where applicability. SPC controls shall be included in the Production Part Approval Process (see 6.2.1).

6.2.4 Equipment Maintenance

The Supplier shall maintain their equipment to ensure process control and product quality.

6.2.5 Calibration

The Supplier shall perform all inspections and tests using calibrated equipment. The Supplier shall establish and maintain a system for the calibration of all inspection, measuring, and test equipment (IMTE) and measurement standards used to perform all tests and inspections.

- (a) The calibration system must conform to ISO 9000 series of standards.
- (b) For calibration services, accreditation to ISO 17025 is preferred.

6.2.6 Limited Shelf Life Control Plan

As applicable, the Supplier shall have a documented limited shelf life control plan.

6.2.7 Electrostatic Discharge (ESD) Control Plan

If the items indicated on the Purchase Order are ESD sensitive, the Supplier shall have an ESD control program which precludes ESD damage during all phases of fabrication, testing, handling, storage, and packaging for delivery (refer to ANSI/ESD S20.20-2007).

Non-manufacturing distributors shall handle, store, package, and identify such items under and ESD control program which ensures continuation of the ESD control program (refer to ANSI/ESD S541-2008)

6.2.8 Foreign Object Debris/Damage (FOD) Control Plan

The Supplier shall review risks associated with FOD and have a documented FOD Control Program in place, as applicable, for the purpose of prevention, detection, and removal of foreign objects. The Supplier is responsible for ensuring that MMIST receives clean, undamaged, and contamination-free product.

6.2.9 Design Control

Suppliers with design control authority shall have a design control procedure. For custom hardware and processes, the Supplier shall notify MMIST of any design changes. Communication shall be coordinated through the MMIST Buyer.

Distributors of materials specified as “Source Controlled”, as noted on the MMIST engineering drawing, shall only obtain material from the Manufacturer listed as the approved source on the Source Control drawing.

6.2.10 Identification & Marking

The Supplier shall identify all items, parts, components, subassemblies and/or assemblies with the appropriate part number and revision level as noted on the part drawing or as otherwise specified in the MMIST Purchase Order.

It is acceptable to include information such as unique serialization, lot codes and/or other pertinent process information on the part when not required per the drawing or Purchase Order, as long as, the information is legible and complies with all drawing, Purchase Order and/or Specification requirements. (i.e. correct location, marking method, size, etc.).

Unless otherwise specified on the drawing or Purchase Order, parts and/or materials that are not suitable for marking because of size and/or configuration may be identified using the bag and tag methods outlined in SAE AS478 or equivalent.

6.2.11 Commercial Off-The-Shelf (COTS) Items

The Supplier shall notify MMIST of any parts acquired through third party distributors or any other non-OEM sources when such sources are not certified to AS9120. The Supplier shall be able to provide full traceability of parts detailing the characteristics, original manufacturer name, original manufacturer part number, serial/lot number, and shelf life (if applicable).

6.2.12 Record Retention

The Supplier shall maintain and make available to MMIST or its agents, all records for or related to, MMIST products. Records must be retained at least five (5) years following MMIST final payment for the specific program. The Supplier shall receive written approval from a MMIST authorized Representative prior to destroying any of these records, within the retention times defined.

6.2.13 Material Sourcing

- (a) Metallic Materials – When fabricating MMIST designed hardware, Suppliers shall use approved and/or preferred sources.
- (b) Non-metallic Materials – When sourcing composites, ceramics, polymers, glasses, and other materials, Suppliers may use any source in compliance with sourcing and traceability requirements as specified in the Purchase Order, Terms and Conditions, drawing and other specifications.
- (c) COTS – COTS parts are not bound by the approved mill requirement

6.3 Special Process Validation

For all special processes, the Supplier shall maintain adequate controls to ensure processes are performed in accordance with applicable specifications and will achieve the planned results.

Controls shall include training of personnel in the applicable procedures and requirements for validation and revalidation of processes. Records of training and validation activities shall be maintained.

For all MMIST designed parts, special processes – as well as certain additional processes not typically categorized as “special” – are source controlled, and must be performed by MMIST approved vendor. All source controlled processes and approved suppliers can be found in the Approved Supplier List (QLTY-APL_1).

Approval to perform one process does NOT imply approval for any additional process. A vendor must be approved for each special and/or controlled process it performs.

6.3.1 NADCAP Participation

MMIST encourages NADCAP Certifications, where special processes have such certifications available.

6.3.2 Special Process Approval

Special process validation and control includes:

- a) Definition of the criteria for the review and approval of the process;
- b) Determination of conditions to maintain the approval;
- c) Approval of facilities and equipment;
- d) Qualification of personnel;
- e) Use of specific methods and procedures for implementation and monitoring the process;
- f) Requirements for documented information to be retained.

6.3.3 Additional Requirements

Additional Special Process requirements are outlined through the Purchase Order, drawings, relevant specifications, and the MMIST Purchase Order Quality Clauses (QLTY-POC_2).

6.3.4 Record Retention

All records shall be retained as specified by MMIST in writing or contractual requirement. MMIST reserves the right to request records at any time within the agreed upon record keeping time.

6.3.5 Subcontracting Special Processes

- (a) A list of suppliers and subcontractors who are authorized to perform special processes on MMIST hardware can be found in the MMIST Approved Supplier List (QLTY-ASL_1)
- (b) The Supplier shall flow down all relevant quality requirements imposed by MMIST to any sub-tier Supplier processing MMIST hardware.
- (c) If a preferred source has not been approved MMIST, the Supplier can request approval prior to beginning work by contacting the MMIST Quality Office.

6.4 Inspection

6.4.1 Inspection Responsibility

It is the Supplier's responsibility to ensure that all material shipped to MMIST conforms to the Purchase Order, drawings and specifications. MMIST will evaluate incoming material to ensure conformance with all applicable requirements. This may be accomplished by Receiving Inspection verification, periodic audits, in-process performance, random laboratory testing, or in special circumstances, Source inspection. MMIST reserves the right to inspect purchased material using any suitable sampling program to measure conformance.

6.4.2 Source Inspection

- (a) Source Inspection is required for each lot of material prior to shipment when so stated on the MMIST Purchase Order or as otherwise notified. This inspection takes place at the Supplier's facility and is conducted by a MMIST representative or a designated agent. The source inspector will inspect or witness the inspection of parts from each lot and will review the Supplier's documentation for accuracy and completeness, as well as, meeting overall MMIST requirements.
- (b) The Supplier is to enclose a copy of the Source Inspection Report filled out by the MMIST quality representative with each source inspected shipment and include all shipping documents. The Source Inspection Report shall be signed by the Supplier representative and source inspector.
- (c) The decision to require a source inspection will be based on design complexity and/or size, component criticality, previous quality issues, and overall quality performance.
- (d) The Supplier shall bear the cost of a source inspection if the need is the result of poor past performance.
- (e) The performance of source inspection does not preclude the rejection of material, at a later date.

6.4.3 Certificate of Conformance

A Certificate of Conformance (CofC) shall be included with shipments certifying that all materials and processes supplied are in accordance with MMIST requirements. The Certificate shall indicate at a minimum:

- Part Number
- Revision (if revision controlled)
- Lot/Date Code
- MMIST Serial Number (as applicable)
- Vendor Serial Number (where required by drawing or Purchase Order)
- MMIST Purchase Order Number
- MMIST Purchase Order Line Number
- Quantity
- Relevant specifications. Industry standard or MMIST specifications noted on the Purchase Order or drawing shall be per the latest revisions unless otherwise specified.

The document shall be signed and dated by the Supplier's quality or management representative. Certification packages shall be included with their respective parts.

6.4.4 Documentation

MMIST may refuse to accept items delivered under the Purchase Order if the Supplier fails to submit required documentation (ex. test data or reports). MMIST may also return such items at the cost of the Supplier. Documentation includes MMIST Source Inspection Report when a source inspection has been performed.

A hard copy of all required documentation shall be sent with each shipment. Exceptions to the requirement for hard copies may be allowed when such exceptions are communicated through formal, released documents such as Purchase Orders or quality clauses.

6.4.5 First Article Inspection

A First Article Inspection Report (FAIR) shall be included the first time a Supplier delivers a part/assembly to a given letter revision of a MMIST part number. A FAIR shall list actual inspection results for all drawing dimensions and applicable notes. A FAIR is not required for:

- Numeric revisions numbers
- Development (Prototype Releases)
- Research and Development (R&D) hardware
- Standard COTS parts, standard catalog items or deliverable software

The parts used to perform the first article shall be marked. First article acceptance by MMIST shall neither constitute final acceptance of the lot nor relieve the Supplier of the obligation to furnish parts that meet all drawing, specification and Purchase Order requirements.

The Supplier is required to use AS9102 for first article inspections.

If a first article inspection is required on a part for which a similar FAIR has already been delivered to MMIST, a delta FAIR may be acceptable. Questions regarding the suitability of delta first article inspections should be directed to the MMIST Quality Office.

All FAIRs shall be submitted to the Quality Office for approval prior to production, unless a written agreement has been arranged with MMIST Inc..

6.4.6 Validation and Inspection of Test Equipment

When tooling such as fixtures, gauges, or test stands are used for inspection purposes, the Supplier is responsible for validating the equipment before it is put into service. The Supplier shall also maintain the equipment and configuration. The equipment shall be used only to inspect and/or test the functions, dimensions, or incorporated features.

6.4.7 Inspection Requirements

The Supplier shall implement all necessary protocols to ensure conformance to each drawing specification and contractual requirements for every part submitted. MMIST reserves the right to reject an entire lot of parts if a nonconformance is found on any part within the lot.

The Supplier shall inspect every Key and Major characteristic specified on the drawing on 100% of parts. Sampling of Key and Major Characteristics is not permitted, unless clearly defined in a Quality Plan (see 6.1.3) and formally approved by MMIST.

If the governing MMIST drawing does not have a Key/Major/Minor Characteristics identified, the minimum tolerance criteria are specified in the drawing template.

The Supplier shall perform 100% visual inspections for the entire lot, regardless of lot size.

The Supplier shall inspect 100% of threaded features. Sampling is not permitted. Go/no-go gauges shall be used to verify conformance on all threaded inserts that do not contain a thread locking feature.

Alternate inspection requirements may be flowed down through a MMIST provided inspection plan, as applicable.

6.4.8 Painted Surfaces

Painted surfaces shall be smooth, continuous, adherent, and uniform in appearance. Surfaces shall be free from defects that degrade performance such as pinholes, blisters, orange peel, runs, sags, frosty areas, scratches, breaks or other imperfections. Refer to specifications supplied by MMIST for acceptance criteria.

6.5 Supplier Evaluation

6.5.1 Qualification Survey

The Qualification Survey serves as the first survey of a Supplier's quality certification, capacity, and abilities. Qualification Surveys need to be submitted through the Buyer who will coordinate communications.

6.5.2 Supplier Audit – Corrective Actions

MMIST representatives shall have the right to visit Supplier facilities. MMIST reserves the right to perform on-site failure and/or cause and extent of non-conformance investigations on very short (less than 24 hours) notice at the cost of the Supplier until performance levels increase. These investigations may not be limited to normal business days and hours. Within the scope of these investigations, we may require access to proprietary information. That information will remain confidential and be used only as part of the investigation. In accordance with the Terms and Conditions of the Purchase Order, the Supplier and its sub-tier suppliers agree to fully support such activities without reservation.

6.5.3 Supplier Audit – Process Qualification

At the request of MMIST when:

- previous quality data is not available,
- a product is significantly different from products currently being produced for MMIST,
- a Supplier is new or
- a Supplier has been inactive

a Qualification Audit may be conducted. The purpose of the qualification audit is to assess the Supplier's capabilities to produce the product or service. The audit includes, but is not limited to, topics such as management/organization, inspection and calibration capabilities, core business type, and control of non-conforming product as applicable to the business.

6.5.4 Quality Monitoring

Key suppliers are included on the Approved Supplier Listing (ASL) and are continuously monitored for quality and performance, through receiving inspection, test, or review of their products or services.

Quality monitoring may trigger actions to take place based on performance including but not limited to audits, corrective action requests and/or scorecard reviews.

Inadequate performance in product quality and/or delivery can trigger a conditionally approved or disqualification from the ASL and

6.5.5 Continual Improvement Evaluation

Assessment of the Supplier's Continual Improvement activities may be part of any other type of audit, as well as a standalone review.

6.5.6 Supplier Assessment Records

MMIST monitors its Suppliers' quality and delivery performance.

Supplier performance ratings may not be automatically communicated to the Supplier. These records are available upon request. Suppliers with performance ratings deemed unacceptable by MMIST will be contacted to initiate improvement actions, where appropriate.

6.6 Nonconforming Material Procedures

6.6.1 Supplier Detected Nonconformance

If the Supplier discovers that the product does not conform to the MMIST requirements and is not re-workable, the Supplier can choose to scrap the product or submit a request for disposition and approval prior to shipment of any nonconforming material. Note that requirements may originate from drawings, models, specifications, Purchase Orders, the Supplier manual, quality clauses, and other authorized documents and communications.

All non-conformances submitted for disposition and approval require a statement of the root cause and the corrective actions to prevent recurrence that conforms to the current revision of ISO 9000. Corrective actions, therefore, should include implementation dates, work in progress, and quantity of affected material.

The Seller shall not ship non-conforming material or product until authorization to ship in the form of a written response has been obtained from MMIST. Upon authorization to ship, the non-conforming product must be labeled as non-conforming by the Seller before shipment and all documentation related to the non-conforming product including a copy of the issue ticket shall accompany the product at time of shipment. Failure to comply may result in material rejection, delays, or other corrective action.

6.6.2 MMIST Detected Nonconformance

If a non-conformance is detected by MMIST at any stage of review, the material may either be returned to Supplier or submitted for a disposition to process internally. This is considered an inspection escape and is factored in the Supplier's quality rating. Costs associated with this non-conformance may be accumulated for recovery.

6.6.3 Source Inspection Nonconformance

Non-conforming material detected by a MMIST source inspection representative will adversely affect the Supplier's quality rating the same as material detected by MMIST. In cases where the source inspector identifies a non-conformance, MMIST may elect to invoice the supplier for the source inspection costs. Additionally, poor quality performance resulting in a new requirement for source inspection may also be charged to the Supplier.

6.6.4 Returned Material

When material that has been returned from MMIST to a Supplier is subsequently returned to MMIST, that material must be identified as "MMIST Returned Material". The Supplier must attach a copy of the

paperwork on which the material was returned from MMIST to the shipping documents. In addition, each container must be clearly identified as customer returns and shipped separately from normal material. The Supplier shall also include on the COC a written description of why the material is being returned to MMIST and the action that was taken. Failure to properly identify returned material will result in rejection of the material and possible suspension of the Supplier.

If material has been returned to the Supplier with a non-conformance disposition of “Rework” or “Repair/Replace” then the Supplier must provide all quality documentation required per the purchase order upon shipment of the material back to MMIST. If Source Inspection was a requirement on the original or updated Purchase Order, a new inspection must be performed prior to shipment.

In cases where the Supplier disputes the return of furnished material, MMIST may return said material for analysis and review. In these cases, a Supplier Quality Engineer will review parts, materials, planning, processing, and other details in coordination with the Supplier to determine if the material should be classified as return.

Any questions concerning returned material should be communicate with the Buyer who will coordinate communications.

6.7 Corrective/Preventive Actions

6.7.1 Corrective Action Requests (CAR)

If MMIST Quality Office determines the need for corrective actions from a Supplier, MMIST may request corrective action from the Supplier. Such requests shall be responded to in a timely and expedient fashion and shall include the following minimum information:

- Containment actions taken
- Analysis of root cause of the problem
- Statement of the corrective and/or preventive actions taken
- Effectiveness of the actions
- Objective evidence that shows completion of the above items.

6.7.2 Timely Action

Supplies who fail to provide adequate corrective action responses may receive further disciplinary action up to and including removal from the ASL.

MMIST expects responses within the following times:

Containment and immediate response: 48 hrs.

Root Cause and corrective Action Plan: 30 days

Any deviation from this requires written confirmation from MMIST Quality.

6.8 Prohibited Practices

6.8.1 Unauthorized Repair

Without prior written approval from MMIST, the Seller shall not repair by any method, parts damaged or found to be faulty during fabrication.

6.8.2 Change in Approved Processes, Materials, or Procedures

Seller shall not change any process, material or procedure without prior written approval by MMIST if such process, material or procedure was originally subject to approval by MMIST or Government specified qualification procedures.

Seller shall not accept any verbal modifications to purchase orders or any related document. Independent of any previous engineering or other authorization, suppliers of production flight hardware shall use the SRF to document approval for deviations.

6.8.3 Improper Resubmittal

Articles rejected by MMIST and subsequently resubmitted to MMIST shall be clearly and properly identified as resubmitted articles. The Seller's shipping document shall contain a statement that articles are replacement or reworked articles and shall also refer to MMIST's rejection documentation.

6.8.4 Notification of Facility Change

Relocating any production, manufacturing, and/or processing facilities during performance of a MMIST Purchase Order shall be communicated to MMIST prior to relocation. This is necessary to afford MMIST an opportunity to examine the new facilities with respect to quality assurance requirements, including any necessary approvals. In addition, if there is a change in senior management the Seller shall notify MMIST.

6.9 Counterfeit Prevention

MMIST is committed to providing the most reliable and cost-effective aerial delivery capabilities and as MMIST continues to innovate, sub-standard and/or unreliable parts present a serious threat to this mission and ultimately to MMIST customers.

MMIST considers its suppliers as partners in achieving success in its mission and goals, MMIST requires that all suppliers take steps to continually identify and eliminate risks associated with sub-standard and counterfeit parts. Various examples of counterfeit parts include:

- Parts which do not contain proper internal construction (die, manufacturer, wire bonding, etc.) consistent with the ordered part
- Parts which have been used, refurbished or reclaimed, but represented as new
- Parts which have different package style or surface plating/finish than the order parts.
- Parts which have not successfully completed the component manufacturer's full production and test flow but are represented as completed.
- Parts sold with modified labeling or markings intended to misrepresent the part's form, fit, function or grade

As counterfeit part prevention evolves, MMIST relies on its suppliers to have robust counterfeit parts program and take extra diligence to inspect, identify, track, and manage parts within the supply chain. A robust counterfeit part prevention program should address the following elements:

- Training and awareness on identification, reporting and prevention of counterfeit parts.
- Processes to communicate and eliminate counterfeits.
- Product traceability of procured items back to their manufacturer
- Utilization of original component manufacturers or their authorized distributors
- Established process for identification, quarantine, test and confirm counterfeit.
- Flow-down of counterfeit detection and avoidance requirements to sub-tier suppliers.
- Continually following counterfeiting information and trends and updating trainings and awareness.
- Processes for monitoring GIDEP or other credible sources of counterfeiting information to avoid the purchase or use of counterfeit electronic parts.
- Processes to control and address obsolescence issues.

The simplest and most effective way of combating counterfeit items is to know you are using a manufacturer-authorized supply chain. Making smart purchasing options, reduces the risk of receiving counterfeit products. Always refer to the MMIST Purchase Order Terms and Conditions for part specific requirements.

6.10 Employee Awareness

The supplier shall implement an employee awareness program that includes the employee's contribution to product safety and the importance of ethical behavior (reference SAE AS9100 current standards).