



Neeco Industries, Inc.

Supplier Quality Manual

Applies to External Providers



SUPPLIER QUALITY MANUAL

Document No.: NI-SQM-01

Revision No.: 01

Date: 11/13/2021

TABLE OF CONTENTS

S.NO	TITLE	PAGE NO.
	<u>N01</u> - GENERAL REQUIREMENTS CLAUSES – <i>Applies to Select Purchase Orders (Complex Items)</i>	5 OF 27
Section I	PURPOSE	5 OF 27
Section II	APPLICATION	5 OF 27
Section III	SUPPLIER RESPONSIBILITIES	5 OF 27
3.1	Supplier Code of Conduct	5 OF 27
3.1.1	Confidentiality	5 OF 27
3.2	Government Rated Contracts	6 OF 27
3.3	Anti-Terrorism Policy	6 OF 27
3.4	Prohibited Practices	6 OF 27
3.4.1	Verbal Instructions	6 OF 27
3.4.2	Unauthorized Changes to Facility, Process ,Method, etc	6 OF 27
3.4.3	Unauthorized Product Repairs& Salvage	7 OF 27
3.4.4	Unauthorized Product Changes or Substitutions	7 OF 27
3.4.5	Unauthorized Use of Non-Conventional Manufacturing Methods	7 OF 27
3.4.6	Unauthorized Use of Glass Beads	7 OF 27
3.4.7	Unauthorized Altering of Data on Document	7 OF 27
3.5	Required Practices	7 OF 27
3.5.1	Responsibility for Product Conformance	7 OF 27
3.5.2	Raw Material Source	8 OF 27
3.5.2.1	<i>DFARS Clauses and Definitions</i>	8 OF 27
3.5.3	Counterfeit Raw Material and Electronic Parts: Avoidance, Detection, Mitigation and Disposition	8 OF 27
3.5.4	Conflict Materials	9 OF 27
3.5.5	Additional Material Requirements	9 OF 27
3.5.6	Obsolescence Requirements	9 OF 27
3.6	Access to Facilities	10 OF 27
3.7	Basic Quality System Requirements	10 OF 27
3.8	Inspection and Acceptance	10 OF 27
3.8.1	<i>Visual Inspection Requirements</i>	10 OF 27
3.9	Sub-Tier Source Selection	10 OF 27
3.10	Certification Requirement	11 OF 27
3.11	Non-Conforming Products & Material Review (MRB) Authority	11 OF 27
3.11.1	Supplier Material Review Authority	11 OF 27
3.11.2	Notification, Segregation and Control of Nonconforming Products	11 OF 27
3.11.3	Notification of Nonconforming Product Delivered to Neeco	11 OF 27
3.11.4	Re-submittal of Products Previously Rejected by Neeco	12 OF 27
3.12	Document Sources	12 OF 27
3.12.1	Neeco and/or Customer Drawings	12 OF 27
3.12.2	Industry/MIL/Other Specification Document Revision Status	12 OF 27
3.13	Contract Changes & Their Effectivity	12 OF 27
3.13.1	Neeco Initiated Changes	12 OF 27
3.13.2	Supplier Initiated Changes	13 OF 27
3.13.3	Drawing Change Classes	13 OF 27
3.14	<i>Cyber Security Requirements</i>	13 OF 27



SUPPLIER QUALITY MANUAL

Document No.: NI-SQM-01

Revision No.: 01

Date: 11/13/2021

3.15	<i>Neeco Tooling and Hardware</i>	14 OF 27
3.16	<i>Silver-Coated Copper Wire Red Plague Avoidance</i>	14 OF 27
Section IV	ADDITIONAL QUALITY REQUIREMENTS	14 OF 27
4.1	Record Retention	14 OF 27
4.2	Supplier Calibration System	14 OF 27
4.3	Material Handling	15 OF 27
4.4	<i>Foreign Object Damage/Foreign Object Debris(FOD)</i>	15 OF 27
4.4.1	<i>FOD –Burrson Machined Components</i>	15 OF 27
4.4.2	<i>Packaging and Trays</i>	15 OF 27
4.5	Rust Prevention	15 OF 27
4.5.1	<i>440C Weld Assemblies</i>	15 OF 27
4.6	<i>PO Acceptance and Delivery Window</i>	16 OF 27
4.7	<i>Additional Quality Clauses</i>	16 OF 27
Section V	ADDITIONAL QUALITY CLAUSES–Only apply when included on Purchase Order	17 OF 27
N02	Adopted Additional Requirements	17 OF 27
N03	Lot Acceptance	17 OF 27
N04	Source Inspection	17 OF 27
N05	Certificate of Conformance (C of C)	17 OF 27
N06	Supplier Furnished Raw Material	17 OF 27
N07	<i>Moved–N06 Applies</i>	18 OF 27
N08	Neeco Furnished Material	18 OF 27
N09	Special Process Certifications	18 OF 27
N10	Test Data	19 OF 27
N11	Raw Material Analysis	19 OF 27
N12	Supplier Analysis	19 OF 27
N13	Calibration–Moved <i>to N01 Section 4.2 –Applies</i> to all orders	19 OF 27
N14	First Article Inspection Report (FAIR)	19 OF 27
N15	Final Inspection Report (FIR)	20 OF 27
N16	<i>Silver-Coated Copper Wire Red Plague Avoidance–Moved to N01 Section 3.18</i>	20 OF 27
N17	Melt Source Require	20 OF 27
APPENDIXA	NEECO INSPECTION SAMPLINGPLAN	21 OF 27
APPENDIXB	<i>SPECIALTY METALS REFERENCE LIST (PER DFARS 252.225-7009)</i>	22 OF 27
–		



SUPPLIER QUALITY MANUAL

Document No.: NI-SQM-01

Revision No.: 01

Date: 11/13/2021

REVISION HISTORY

REVISION NO.	DATE	BY	CHANGE	PAGES AFFECTED
00	10/01/2016	GB	Complete revision, new document and format generated based on previous version of SQM and released	ALL
01	11/13/2021	MB	Revised and released (changes from previous revision BOLD and ITALIC)	ALL



SUPPLIER QUALITY MANUAL

Document No.: NI-SQM-01

Revision No.: 01

Date: 11/13/2021

N01 GENERAL REQUIREMENTS CLAUSES

Section I – PURPOSE

The purpose of this document is to clearly define, for each purchase of products or services, the necessary and applicable technical and quality requirements with which the Supplier must comply to meet the requirements of Neeco Industries, Inc. its customers and/or regulatory authorities. This document establishes general and special product assurance requirements clauses for use on the Purchase Order and is part of the terms and conditions when referenced on the Purchase Order. For the balance of this document Neeco Industries, Inc. shall be referred to as “Neeco”, the Customer which has entered into a Purchase Order agreement with the External Provider, also known as Suppliers and Sub-tier Suppliers (as applicable).

Failure to comply with any of the requirements flowed down in the Purchase Order, drawing or the applicable clauses of this document may result in investigations, monetary forfeitures, payment **withholdings** and/or contract termination. All questions about requirements must be understood and resolved before accepting the Purchase Order.

Section II - APPLICATION

Unless expressly excluded by the Purchase Order, N01(General Requirement clauses) which includes sections 1, 2, 3 and 4 herein **applies to all Purchase Orders**. The “Q” codes for additional requirements are listed in section 5 apply only when the specific Q-code number is included in the Quality Assurance Requirements section of the Purchase Order.

The Supplier is responsible to flow down all applicable requirements to any approved Sub-tier source they intend to use in the performance of this Purchase Order. *This shall include both Neeco and Neeco’s customer requirements, as stated on the Purchase Order.*

Depending on the commodity and customer requirements, exceptions to the Supplier Quality Manual may be approved. Any exception must be submitted in writing, approved by Neeco and documented on the purchase order or deviation request documentation, prior to delivery. Notify Neeco purchasing with any exception requests as soon as possible after a purchase order is received.

Section III - SUPPLIER RESPONSIBILITIES

3.1 Supplier Code of Conduct

Suppliers shall adhere to Neeco’s Supplier Code of Conduct and ensure that operations are being performed in a manner that is appropriate, as it applies to their ethical, legal, environmental, safety and social responsibilities. This shall include, but is not limited to:

- Compliance with Local Laws and Regulations (Management System)
- Compliance with Health and Safety Laws
- Compliance to Environmental Laws
- Compliance to Labor & Human Rights Laws
- Compliance to Supplier Ethics and Standard of Conduct
- Any other requirements for the fulfillment of this purchase order

3.1.1 Confidentiality

The Supplier shall ensure the confidentiality of Neeco and Neeco customer’s products, designs and intellectual property that may be shared as a result of working with Neeco. Refer to Neeco Non-Disclosure Agreements (NDA) for additional information.



SUPPLIER QUALITY MANUAL

Document No.: NI-SQM-01

Revision No.: 01

Date: 11/13/2021

3.2 Government Rated Contracts

If this Purchase Order is in support of a government rated order certified for national defense use, the Supplier is required to follow the provisions of the Defense Priorities and Allocations System (DPAS) regulations (15 CFR Part 700). Per the requirements of DPAS, a DO Rated order shall take precedence over any unrated orders. DX Rated orders shall take precedence over DO Rated orders or any unrated orders. The Supplier is required to accept this order electronically via email within 15 business days of receipt of DO-rated orders and within 10 business days of receipt of DX-rated orders. Rated orders are identified in the Purchase Order notes by a priority rating such as DX, DO, etc. This requirement also applies if the drawing or Purchase Order notes identify the order as in support of a Department of Defense prime government contract.

When an order is identified as DPAS Rated (DO/DX Rated) and/or the technical data provided by Neeco is flagged with an "Export Controlled" identifier, the United States International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR) shall also apply. The Supplier agrees that all technical data provided by Neeco will be used in strict compliance with the export control law requirements and solely for the performance of the work per the Purchase Order. The Supplier agrees to implement procedures for restricting access to the technical data to U.S. Citizens and/or Lawful Permanent Residents, unless prior written authorization or other approval is given. If during the performance of the work, the Supplier is required to provide such technical data or part to a Sub-tier source, the Supplier may do so provided that such Sub-tier source is located in the United States, or a DFARS qualifying country with the required license or other export approval, provided that the Supplier has imposed upon the Sub-tier source the same ITAR or EAR obligation/restrictions as contained herein, including executing NDAs. Upon completion of the work hereunder, including any warranty period, the Supplier and all Sub-tier source(s) involved shall return all technical data to Neeco.

Debarment Certification – For government rated Purchase Orders, Suppliers must be eligible for government contract work and must certify Sub-tier Suppliers are not debarred, suspended, proposed for debarment or declared ineligible for government contract work. To verify a sub-tier source is eligible, visit <https://sam.gov/SAM/pages/public/searchRecords/search.jsf>

3.3 Anti-Terrorism Policy

The Supplier agrees to comply with the Executive Order 13224 – blocking property and prohibiting transactions with persons who commit, or support terrorism notice of September 24, 2001 – and further agrees to include this statement in each Sub-tier contract or purchase order issued hereunder.

3.4 Prohibited Practices

The following acts and practices are prohibited, unless approved by Neeco in writing. Any violation by the Supplier or Sub-tier Supplier may result in the return of product and/or disapproval of the Supplier for future business with Neeco.

3.4.1 Verbal Instructions

The Supplier's Quality Management System shall be structured such that it does not allow verbal agreements or instructions as authorization or approval to proceed (e.g. on items that affect quality, fit, form or function). Any changes to purchase order agreements or drawing requirements must be requested in writing and approval communicated back in writing in the form of **a modified PO change, approved deviation or a signed drawing change before acceptance.**

3.4.2 Unauthorized Changes to Facility, Process, Method, etc.

The Supplier shall notify Neeco in writing at least 90 days in advance of any of the following changes:

- 1) The sale, relocation, or transfer of any manufacturing operations. This includes movement of equipment and/or changes in manufacturing methods.
- 2) Any condition deviating from the original approved manufacturing methods used to produce the original first article part, including any change which could have an effect on the product at the next assembly or affect function at the end item user.
- 3) Any proposed change of original Sub-tier Suppliers used to manufacture the first article production.



SUPPLIER QUALITY MANUAL

Document No.: NI-SQM-01

Revision No.: 01

Date: 11/13/2021

Neeco may be required to notify and obtain approval from the customer for these types of changes. The Supplier is not authorized to proceed with the implementation of the change until written approval is obtained from **Neeco. See Section 3.13 for a description of changes and approval process.**

3.4.3 Unauthorized Product Repairs & Salvage

The Supplier may not perform any repairs such as welding, brazing, soldering, plugging, peening, bushing, use of paints, adhesives or plating, or use any standard or other repair practice or method on products damaged or found to be discrepant. This restriction also applies during fabrication or processing or on defects in casting or forgings, unless such repairs are specifically permitted by the applicable drawing or specification or are specifically authorized by Neeco in writing for each occurrence. Unless specifically authorized by Neeco, this prohibition also applies to reworking products by removing plating (stripping) and re-plating. In the case where Neeco-authorized product repair, salvage or stripping has been accomplished, the Supplier shall include on the packing list/shipper and on the Certificate of Conformance (C of C) that the product being delivered was subject to such Neeco-approved repair, salvage or stripping and the method used.

3.4.4 Unauthorized Product Changes or Substitutions

The Supplier shall not make any changes or substitutions to any product(s) or services required by the applicable drawing, specification or Purchase Order (PO) without prior written authorization by Neeco. Authorization may be contingent on Neeco or Neeco's representative's review of proposed changes at the Supplier's facility.

3.4.5 Unauthorized Use of Non-Conventional Manufacturing Methods

Unless specified on the drawing, applicable specifications or Purchase Order, the Supplier shall not use any non-conventional manufacturing or processing methods, such as electrical discharge machining (EDM), electro chemical machining (ECM), laser or abrasive water-jet cutting or drilling, flame spray coatings, etc., on product(s) scheduled for delivery to Neeco without prior written authorization of Neeco.

3.4.6 Unauthorized Use of Glass Beads

The use of glass beads is prohibited during the manufacture of any products to be delivered to Neeco.

3.4.7 Unauthorized Altering of Data on Documents

The use of any method that causes the original data on documents to be obliterated and unreadable (i.e. the use of correction fluids, correction tape, write-over, or other methods) to correct, modify or otherwise alter the data and/or entries on any certifications, test reports, or other documents required by the Purchase Order is strictly prohibited.

Any necessary correction shall be made by a single line through the incorrect data and the correct data entered as close as possible to the original entry. The change shall then be initialed or stamped and dated by the person making the change.

3.5 Required Practices

The Supplier shall flow-down the General Requirements Clauses (N01) and any applicable Additional Quality Clauses (N02-N20) on this Purchase Order to Supplier's approved Sub-tier sources performing work for the Supplier that is scheduled for delivery to Neeco.

3.5.1 Responsibility for Product Conformance

Neither audit, surveillance, inspection and/or tests made by Neeco or Neeco's representative at either the Supplier's or Neeco's facility, nor Supplier's compliance with applicable quality assurance requirements clauses herein, shall relieve Supplier of the responsibility to furnish product(s) that conform to all requirements of the Purchase Order.



SUPPLIER QUALITY MANUAL

Document No: NI-SQM-01

Revision No.: 01

Date: 11/13/2021

3.5.2 Raw Material Source

All raw **metallic** materials provided on this Purchase Order and/or used to produce products **or assemblies (except COTS items)** manufactured per this contract **must be from a Neeco approved country and may also require Domestic (USA) Melt Material. Domestic Melt Material is required when ANY of the following apply: the purchase order or item number/description indicates "DM", "Domestic Melt", "Domestic Required" or similar, or when N20 is required.** When required, material must be Domestic Melt Source as indicated on the raw material certification. *In addition, when indicated on the purchase order or if DFARS 252.225-7008 is flowed down, all raw material and products (including COTS items) must be from Domestic Sources.* Unless prior approval is obtained from Neeco to use non-Domestic Melt source material *(when Domestic Melt is required)*, any parts delivered from unapproved sources will be returned to the Supplier for replacement at the Supplier's expense. For reference, a list of DFARS "qualifying" countries (Neeco pre-approved countries of source for raw metallic material) can be found by visiting the Defense Pricing and Contracting (DPC) system <https://www.acq.osd.mil/DPAP> *(click DFARS/PGI and see DFARS Procedures Subpart 225.0).* The origin of mill source must be identified on the supplied certifications. Refer to **Section 3.10** and **N05** for more detail regarding certification requirements.

For Specialty Metals, unless otherwise specified on the Purchase Order or other applicable documents, Suppliers shall be compliant to the requirements of DFARS 252.225-7009 'Restriction on Acquisition of Certain Articles Containing Specialty Metal' when the Purchase Order or item number/description has an indicator "SM". In the case of conflicting requirements, Neeco's purchase order requirements will take precedence over restrictions or exceptions to the DFARS clauses. Neeco reserves the right to allow for exceptions as necessary, within customer and DFARS requirements.

Raw Material is defined as metal in raw form (bars, sheets, strips, etc.) consisting of a basic metallic element and/or a mixture of one or more metallic, or non-metallic, alloying elements.

Product (or Assembly) is defined as an item forming a portion of a system or subsystem that can be supplied and replaced as an entity and incorporates multiple, replaceable parts.

Commercial Off-The-Shelf (COTS) Items are defined as commercially available items (components or assemblies) sold in substantial quantities in the commercial marketplace and are offered to the government without modification, in the same form as it is sold to the commercial marketplace. Unless otherwise noted, COTS items that are exempt from specialty metal requirements can be manufactured from non-DFARS raw material. See DFARS 252.225-7009 for the list of exceptions to Specialty Metal restrictions for COTS items.

Other materials, such as non-metallic raw material (i.e. plastic bar stock, molding powder, rubber, etc.) that do not fall under the above categories will be exempt from DFARS requirements, unless specified as DFARS or DM Required on the purchase order.

Certifications must be legible and reproducible for two generations. Material will be rejected if the certification is not legible. Refer to **Section 4.1 for more details regarding records and record retention.**

3.5.3 DFARS Clauses and Definitions

The following definitions apply when the applicable Phrases listed below are indicated on the purchase order:

"Compliant Material Required" – All raw metallic material (Specialty Metal and Non-specialty Metal) supplied or used to manufacture products/components shall be from a Neeco approved and/or DFARS "qualifying country" per DFARS 225.872.

"DFARS 252.225-7008 Required" – All Specialty Metals, as defined in this clause, to be supplied or used to manufacture products/components shall be from Domestic Melt sources in compliance with DFARS 252.225-7008.

"DFARS 252.225-7009 Required" – All Specialty Metals, as defined in this clause, to be supplied or used to manufacture products/components shall be from Domestic or DFARS "qualifying country" sources in compliance with DFARS 252.225-7009, unless exempt under the exceptions listed in the clause.

3.5.4 Counterfeit Raw Material: Avoidance, Detection, Mitigation and Disposition

Neeco requires all Suppliers providing raw materials to review AS6174, Counterfeit Material for reference, as best practice review, and to confirm internal procedures are appropriate and effective, as to detect and preclude delivery of any counterfeit components or items.



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

The Supplier shall ensure that only new and authentic materials are used in products delivered to Neeco. The Supplier may only purchase raw materials directly from original melt sources, or authorized distributors who can provide evidence of certification from the original melt source. **No product delivered to Neeco is to be procured from brokers.** Use of product that was not provided from authorized sources is not allowed **without prior written approval from Neeco.** The Supplier must present compelling support documentation (e.g. certification with the product from the melt source in the case of raw materials) that authenticates traceability of the product to the original source as proof that the product is authentic and conforming to these requirements.

Implement and enforce a written Counterfeit Parts Prevention and Control Plan designed to preclude, detect, and remove any counterfeit components from all deliveries to Habco Tool and Development Company. As an integral part of this plan, the external provider shall maintain a database of counterfeit components received, and applicable source data.

3.5.5 Conflict Materials

The Dodd-Frank Act addresses concerns that conflict minerals are traded to finance groups that engage in violations of human rights. As defined in the Act, Conflict Minerals include gold, tin, tantalum, and tungsten. Conflict Minerals originating in the Democratic Republic of the Congo (DRC) or an adjoining country (Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia) are not authorized to be supplied to Neeco. The Supplier must be able to certify product containing any of the materials noted above as originating from a smelter that is validated as compliant in accordance with the Conflict-Free Smelter (CFS) Program and listed on the Compliant List. The Conflict-Free Smelter Program is a list of certified compliant smelters in accordance with EICC criteria. The full list and additional information are available at <http://www.responsiblemineralsinitiative.org>. See Neeco Conflict Minerals Policy for more information.

3.5.6 Additional Material Requirements

Hardware, Bulk-item and Age Control Material Certifications – Commercial Off the Shelf (COTS) items and large quantity hardware items including nuts, bolts, washers, shims, springs, etc. that are high volume and light weight shall be accompanied by a C of C, citing that the materials meet the specification called for on the Purchase Order. The Supplier will be responsible for crediting Neeco for any shortage of parts exceeding 3% of the order's line item(s). Overages will not be accepted for payment. The count of parts may be accomplished by weight. The scale used must be able to accurately weigh parts repetitively and be calibrated per the requirements of **Section 4.2**.

Bulk-Items – Bulk items such as paint, potting, sealants, etc. furnished hereunder shall be accompanied by a Certificate of Conformance stating that the materials meet the specification called for on the Purchase Order. The certification shall meet all the requirements of N05. Copies of certifications, as applicable, from actual material manufacturers shall be included with each shipment.

Age Sensitive Material – The material expiration, as applicable, shall be noted on the certification. **A minimum 80% shelf life shall remain** upon shipment unless waived by Neeco in writing.

Country of Origin: All foreign origin articles imported into the United States must be marked with the English name of the country of origin. Seller's packing slip, invoice, and purchase order acknowledgement shall certify the country of origin for each item supplied (19 U.S.C. 1304 & 19 C.F.R. Part 134).

3.5.7 Obsolescence Requirements

The Supplier shall perform an obsolescence analysis of the product Bill of Material (BOM) for any product being delivered to Neeco where they control the design. The purpose is to categorize every item in the product BOM as to 1) known obsolescence; 2) potential obsolescence; and 3) small or no obsolescence concern. Should this analysis apply to the product being offered to Neeco, the Supplier shall notify Neeco of the part/material that is affected, and the recommended replacement, allowing Neeco to get the necessary approvals from the customer.

3.6 Access to Facilities

It is agreed that in the execution of this Purchase Order, Neeco and/or its prime contractor, including Government representatives, will be permitted on site to review Suppliers facilities and procedures, as deemed necessary.



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

3.7 Basic Quality System Requirements

The Supplier shall maintain a **Quality Management System with preference for** a system compliant to ISO 9000, AS9100 or AS9120. However, Neeco realizes that for some Suppliers it would not be economically feasible to comply with the level of these quality systems. **When authorized by Neeco's customer requirements**, Neeco holds the option to require compliance to systems **such as** MIL-I-45208, MIL-Q-9858 or equivalent, providing the quality of the product meets the flowed-down requirements from Neeco and Neeco's Customers. Compliance to these requirements shall be verified through Supplier surveys and/or onsite visits, as well as results from Neeco's Receiving Inspection process.

3.8 Inspection and Acceptance

All personnel performing **final acceptance** inspection activities shall have annual eye tests by a certified optometrist or medically qualified personnel. These records shall be made available to Neeco upon request. See table below for reference.

Vision Parameter	Requirement
Far Vision	Snellen Chart 20/50 or better
Near Vision	Snellen 14/18 or better (20/25 or better, Jaeger Type 1, Ortho-rated 8 or equivalent).
Color Vision	Average or normal (4 to 6 responses on Titmus, B+L, or American Optical testing machine, or a satisfactory response when tested with an Ishihara or Pseudoisochromatic plate). Ability to distinguish red, green, blue and yellow colors as prescribed in Dvorine Charts, Ishihara plates or equivalent. A practical test using color-coded wires and/or color-coded electrical parts shall be acceptable.

Table 1 – Visual Acuity Requirements for Inspection and Calibration Personnel

The product(s) pertaining to this Purchase Order are subject to inspection, testing and approval at all reasonable times and places by Neeco, Neeco's Customer or Government representative before, during and after performance and delivery. Neeco may require the Supplier to rework, replace or reimburse the purchase price of rejected material or Neeco may accept any materials and upon discovery of nonconformance, may reject or keep and rework any such non-conforming materials. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or re-inspection by Neeco shall be at Supplier's expense.

Neeco's failure to inspect does not relieve Supplier of any responsibility to perform according to the terms of the Purchase Order. If sampling is used by the Supplier to accept parts, the sampling plan must meet the minimum quantity requirements of N03. Note that sampling does not alleviate the additional inspection requirements for Key Characteristics/Flight Safety Features per Section 3.9.

3.8.1 Visual Inspection Requirements

Whether lot sampling is acceptable, or when 100% inspection is required, the parts shall be inspected under 10X magnification to ensure conformity to visual acceptance requirements.

3.9 Sub-tier Source Selection

The Supplier shall not use Sub-tier sources for the manufacture or processing of any materials or processes on product(s) scheduled for delivery to Neeco unless they are Neeco approved, and a Customer approved source when that requirement is specified on the Purchase Order. When not specified, a Nadcap certified source shall be used. If a Supplier proposes to use a Sub-tier source not meeting either of these requirements, the Supplier must get prior written authorization from Neeco before use. The Supplier shall submit to Neeco within five (5) calendar days following receipt of this Purchase Order, the Sub-tier company name(s) and address(s) of all the sources planned for use in accomplishment of work hereunder. Failure to use Sub-tier sources approved by Neeco may result in rejection of delivered items.

All requirements flowed down to the Supplier in the Purchase Order shall be flowed to sub-tier Suppliers, including Neeco and Neeco's customer requirements.



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

3.10 Certification Requirements

The Supplier shall provide a Certificate of Conformance (C of C) on company letterhead or other identifying document with a written statement that all product and/or services being provided to Neeco were processed (i.e. manufactured, honed, heat treated, tested, plated, etc.) and comply with all requirements of the Purchase Order, drawing or other specifications. At a minimum, all certifications shall contain (as applicable): the material description, part number, revision, reference to all applicable material and/or process specifications, acceptance criteria specifications, Key Characteristics and Critical to Quality inspection requirements, quantity delivered and Neeco's Purchase Order number **with both line and release**. **Certifications must be legible and reproducible for two generations.** Material may be rejected if the certification is not legible. Refer to **Section 4.1** for more details.

A Certificate of Conformance meeting the requirements above shall be provided at no cost to Neeco. Additional charges for material or process certifications as required per N05 shall be submitted with quote and approved by Neeco prior to Supplier accepting the purchase order.

If you intend to deliver a few extra pieces over what is called for on the PO, the actual quantity being shipped must be noted on the C of C for traceability purposes. Excess quantities of 10 or more parts must be approved by Neeco prior to acceptance. If approval is not received in advance these extra pieces may not be accepted by Neeco.

3.11 Nonconforming Products & Material Review (MRB) Authority

3.11.1 Supplier Material Review Authority

The only Material Review Authority granted to the Supplier is **Rework** to bring the product to full compliance with all requirements or **Scrap**. No other material disposition authority is currently granted to the Supplier.

3.11.2 Notification, Segregation and Control of Nonconforming Products

Unless otherwise specified in the Purchase Order, all nonconforming material shall be documented **and submitted** to Neeco Engineering for **review and** disposition. **Neeco can provide a template, or** the Supplier may use their current format to notify Neeco of the nonconformance, including the requirement and the dimensional or other characteristic deviation(s) from the requirement. A section shall be included which identifies the **root** cause and corrective action to avoid a recurrence of a future deviation. A non-conformance report (NCR) may be generated to track the request. Should Neeco approve the deviation, a copy of the approval signed by a Neeco representative(s) shall be returned to the Supplier. The Supplier shall segregate and clearly identify all nonconforming product. The identification shall include a reference to the deviation approval. When delivering nonconforming material, a copy of the signed approved deviation document shall be included with the shipment. A use-as-is or repair disposition by Neeco does not relieve the Supplier of the legal responsibility and liability for such products.

3.11.3 Notification of Nonconforming Product Delivered to Neeco

When the Supplier has determined that nonconforming product has been delivered to Neeco, the Supplier shall notify Neeco's buyer in writing within twenty-four (24) hours of the initial discovery. The Supplier shall use "receipt acknowledged" e-mail or other positive notification method. The initial notification shall be followed by a formal "Disclosure Letter" delivered to the Neeco buyer within five(5) days of the initial notification. The Supplier shall again use "receipt acknowledged" e-mail or other positive notification method for disclosure. For initial notification and formal disclosure, a Supplier representative **may** contact Neeco Quality Assurance for a recommended format. If the Supplier has a form that contains all the necessary information, that form may be used. At a minimum, the initial notification shall include the following:

Supplier Name
Purchase Order, Line and Release Number
Part Number and Description
Affected Quantities
Dates Shipped
Brief Description of the Nonconforming Condition



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

The formal Disclosure Letter shall be delivered within five (5) working days of the initial notification and shall consist of a complete description of the nonconforming condition(s), immediate action(s) by the Supplier to contain the nonconforming product(s), root cause analysis of the nonconforming condition(s), root cause corrective action(s) plan, schedule of implementation and the plan and schedule for verifying the effectiveness of the corrective action(s).

Neeco reserves the right to participate in the nonconforming product investigation at the facilities of the Supplier or its Sub-tier sources.

3.11.4 Re-submittal of Products Previously Rejected by Neeco

Products returned to the Supplier, re-worked or replaced and re-submitted to Neeco shall be clearly identified as re-submitted products. **The Supplier's packing list/shipper shall include a statement that the products delivered are replacement or reworked to meet all applicable requirements and include a reference to a Non-Conformance Report (NCR) or approved deviation document as applicable.** All re-submitted product shall be re-inspected by the Supplier before submittal.

3.12 Document Sources

3.12.1 Neeco and/or Customer Drawings

Copies of Neeco or Neeco Customer proprietary documents (i.e. drawing, specification, etc.) required by the Supplier to comply with the Purchase Order requirements will be furnished to the Supplier by Neeco with the Purchase Order.

For repeat orders, the Supplier shall confirm that the drawing on file matches the revision level indicated on the PO. The Supplier shall not proceed with the performance of the PO if the revision level of the drawing or any other documentation does not match the revisions specified on the PO. The Supplier shall contact Neeco for resolution of any revision issues before processing.

These proprietary documents shall be controlled such that they are not shared or utilized by personnel or other entities not associated with the performance of the Purchase Order. Once the purchase order has been completed these proprietary documents shall be returned to Neeco with the final shipment. It is the Supplier's responsibility to maintain current revision copies of industry, national, international or US government documents and standards that are required to comply with the drawing and purchase order requirements. Any problems experienced by the Supplier in obtaining the required documents shall be brought to the attention of Neeco's buyer.

3.12.2 Industry/MIL/Other Specification Document Revision Status

The Supplier shall use the most current revision, ***or superseding document***, for specifications required on the drawing ***and/or*** purchase order. The only exception would be special instructions on the purchase order to use a ***superseded specification or a previous revision*** per Neeco's customer requirements. Contact Neeco's buyer for clarification ***of requirements*** prior to accepting the order.

3.13 Contract Changes & Their Effectivity

3.13.1 Neeco Initiated Changes

The Supplier shall incorporate, at the specified and agreed upon effectivity points, all changes initiated by Neeco and/or Neeco's customer and communicated to the Supplier through a formal Purchase Order change and/or amendment. Such changes may be in the form of revised drawings, specifications, tests, inspection or fabrication methods, etc., and may apply to products as well as to the Supplier's management and administrative systems. The Supplier's business management system shall include appropriate controls and records, including controls at the Supplier's Sub-tier sources, which provide objective evidence that changes were incorporated as required by the Purchase Order.

Objective evidence may be in the form of date, lot, serial number, revision letter, or other positive identification. Such records are subject to on-site verification by Neeco at the Supplier's facilities or the facilities of the Supplier's Sub-tier sources.

3.13.2 Supplier Initiated Changes

The Supplier may not make any changes in product design, drawings, performance specifications, materials or processes that will result



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

in a Class I change, without specific approval by Neeco in writing prior to incorporating or making such changes in products or data. When applicable, the Supplier shall flow-down this requirement to the Supplier's Sub-tier sources. The Supplier may make changes on products under Supplier's proprietary engineering design control that result in a Class II change. The Supplier shall furnish a copy of the Class II change to Neeco prior to the initial delivery of the (changed) product, so that Neeco can verify that the change does not violate the product specification requirements.

3.13.3 Drawing Change Classes

Neeco defines Class I and Class II changes as:

Class I Changes – Class I changes are considered mandatory and shall have firm effectivity change points established and verified for traceability. Under no circumstances are Class I changes made which affect Neeco or Neeco's Customer requirements unless specific authorization by Neeco (and/or Neeco's Customer) has been granted. **Proposed Class I changes will affect form, fit or function of the final assembled part and** shall be submitted for approval to Neeco, prior to implementation. Only when such approval is granted in writing from Neeco will affected drawings, travelers, ATPs or other affected documentation be revised. Class I change is defined as a change to an existing product that has been qualified. Engineering will not make any changes in materials, process, design details or acceptance test procedure which may affect the part or the component part **thereof with respect to** part number identification, physical or functional interchangeability, and performance. Examples of Class I changes could include:

3.13.3.1 Changes that reduce or impact the specified performance requirements of the design.

3.13.3.2 Changes that affect the reliability, maintainability or survivability of the design.

3.13.3.3 Changes to the interface characteristics.

3.13.3.4 Changes that affect compliance to other technical requirements in the specification.

Class II Changes – Class II changes are considered improvements to be accomplished as determined by manufacturing coordination. The cut-in or effectivity point of this type of change is at the option of engineering / manufacturing. This type of change does not affect form, fit, or function of the final assembled part. The old and new part must be fully interchangeable. **Neeco's customer controlled (Build-to-print) designs** can only be changed with approval from Neeco and Neeco's Customer. Neeco Engineering can create an equivalent Neeco manufacturing sketch incorporating a Class II change, if the change clarifies the information or tightens the existing customer tolerance. The Neeco design must continue to meet all original customer drawing requirements after the change. Examples of Class II changes could include:

3.13.3.5 Correction of a deficiency discovered during item functional checks that is necessary to ensure compliance with Neeco or Customer requirements.

3.13.3.6 Any change to a piece part print that does not affect form, fit or function of the final assembled part.

3.13.3.7 Chemical or physical properties of a material used to manufacture the product.

3.13.3.8 Any change in the manufacturing process that changes or alters the configuration, composition, or physical properties of the item produced.

Neeco reserves the right to make the final determination if a requested change will qualify as a Class I or Class II change.

3.14 Cyber Security Requirements

Suppliers play an important role in safeguarding technical defense information. DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Reporting was published by the DOD to prevent improper access of important, unclassified information in the supply base. Suppliers shall be familiar with cyber security requirements of DFARS 252.204-7012 and flow these requirements to sub-tier Suppliers. Please refer to Neeco's Representations and Certifications for further information and compliance details at neecoindustries.com.

3.15 Neeco Tooling and Hardware

Suppliers shall be responsible to procure and maintain required gages and tooling necessary to fulfill the Purchase Order. Neeco may make specialty gages available to Suppliers as necessary. Suppliers must verify correct gages are used to accept product.



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

Suppliers shall ensure Neeco gages are handled with care and returned to Neeco in working order or must notify Neeco immediately of damaged or non-conforming gages.

3.16 Silver-Coated Copper Wire Red Plaque Avoidance

Silver-coated copper conductor is susceptible to galvanic corrosion in the presence of water or humidity and oxygen. The phenomenon is also referred to as 'Red Plaque'. This corrosion can lead to electrical or mechanical failure of the affected wire. Once corrosion is initiated, corrosion of the copper conductor can continue indefinitely in the presence of oxygen. The Supplier shall take all steps necessary to prevent and detect the formation of corrosion (Red Plaque) on wires per SAE ARP6400. The certifications provided with the wire shall state that the product has been verified to be free of any Red Plaque corrosion per this specification.

Section IV - ADDITIONAL QUALITY REQUIREMENTS

4.1 Record Retention

Unless otherwise specified on the Purchase Order, the Supplier shall retain all quality records as objective evidence of conformance to Purchase Order requirements, including Supplier's and their Sub-tier source's records and certifications of the inspections and tests performed during procurement. Examples of quality records may include inspection records, special process records/certifications, manufacturing documentation, training records, internal audits, eye examinations, work instructions and/or any other quality records pertinent to the manufacture of the product supplied. These records shall be retained for **a minimum of fifteen (15) years after completion of the order**. Such records shall be maintained to ensure their legibility **for two (2) reproductions (copies)** and must be retrievable within 24 hours should Neeco request copies be provided. In lieu of hard copy, the records may be kept electronically providing the electronic copy is fully legible. **Prior to physical destruction or disposal** of these records, the Supplier shall offer the records to Neeco for retention at no additional cost to Neeco and/or Neeco's customers. This requirement shall be flowed down to any Sub-tier Supplier used in the manufacture of the product supplied.

4.2 Supplier Calibration System

Suppliers shall properly maintain all Measuring & Test Equipment (M&TE) used to measure and/or test product for final acceptance. Supplier's M&TE equipment must be calibrated by either an outside lab, **or internally** if the calibration is performed per ANSI/NCSL Z540 3. **Calibration laboratories shall be certified to ISO 17025**. Other Calibration services may be used with Neeco approval. The Supplier shall notify Neeco of any product accepted with equipment found with out-of-tolerance conditions. An out-of-tolerance condition is one where the uncertainty of the measurement equipment itself or the master standard(s) used to calibrate the equipment is found to exceed the limit called out in the specification cited above. The Supplier and/or Sub-tier source calibration certification(s) shall include a statement indicating the traceability number to the National Institute of Standards and Technology (NIST) used to calibrate the equipment. **The Supplier shall ensure that any internal or outside personnel performing calibration services have current annual eye exams on file** and those files are made available to Neeco upon request.

For Suppliers performing Calibration services, calibration shall be performed in compliance to ANSI/NCSL Z540 3 and the Supplier shall be certified to ISO 17025. The Supplier performing the calibration shall notify Neeco immediately of out-of-tolerance conditions. An out-of-tolerance condition is one where the uncertainty of the measurement equipment itself or the master standard(s) used to calibrate the equipment is found to exceed the limit called out in the specification cited above. Certifications shall be provided per **Section 3.12**, except instead of part number and revision, the certification shall reference the equipment identifier (ID #). The certification shall include a statement indicating the traceability number to the NIST standard used.

Any personnel performing calibration of equipment shall have on file an annual eye examination performed by a certified optometrist or medically qualified individual. See the table in Section 3.8 for visual acuity requirements for inspection and calibration personnel. A copy shall be available for review upon request.

4.3 Material Handling

Damage due to handling **is a frequent cause** for rejection of product at Neeco. The Supplier shall control product(s) during manufacturing, special processing, testing and shipment, **as well as** visually inspect for and avoid dents, scratches, discoloration, contamination, etc. which violate the surface requirements of the product(s) drawing and specifications. For example, damage due to



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

part-to-part contact or handling is not allowed. Surfaces identified as sealing or critical surfaces shall be processed and handled with extra care; scratches or damage are not allowed. The Supplier must verify surface finishes meet requirements called out on purchase order instructions and/or applicable drawings. **Nonconforming or damaged parts will be returned to the Supplier for rework or replacement at the Supplier's expense.**

Unless otherwise specified in the Purchase Order, product(s) should be packaged to protect and shipped using best commercial practices for safe arrival at Neeco's facility. This **could** include segregation of individual piece parts to **prevent part-to-part contact damage to critical surfaces during shipment**. Contact Neeco's buyer for recommended trays and packaging.

4.4 Foreign Object Damage/Foreign Object Debris (FOD)

Foreign Object Damage/Foreign Object Debris (FOD) is not allowed. **Supplier shall have a FOD prevention program compliant to NAS 412.** Parts shall be cleaned, oiled and packaged **to prevent part-to-part contact**, prior to delivery. Parts shall be handled during manufacture and shipping in a manner that will protect them from exposure to contamination by foreign objects or materials. **Packaging and handling shall also prevent part-to-part contact or other handling damage.** Protection may include clean trays and packaging materials which will not contaminate the surfaces, **such as** the use of protective caps, clean covered plastic trays, etc. **Loose packing materials, such as "Packing Peanuts", or any similar type of Styrofoam or other material is strictly prohibited. Paper egg crate trays are not allowed for Neeco parts unless specifically approved by Neeco (purchase order, purchasing or quality approval).** Refer to purchase order notes for additional tray and FOD requirements.

4.4.1 FOD - Burrs on Machined Components

Burrs are prohibited on Neeco hardware. Suppliers shall inspect all parts for burrs as necessary to ensure components are delivered burr-free. Inspection for burrs shall be at 10X magnification, minimum.

4.4.2 Packaging and Trays

Suppliers are required to provide adequate trays to protect parts during handling and shipping. The Supplier may request sample trays from Neeco for first time orders, but it is the Supplier responsibility to procure and provide trays for parts, unless specific Neeco trays are required on the purchase order. Contact Neeco's buyer for trays and instructions.

4.5 Rust Prevention

To protect parts from rust and/or corrosion between the time they are manufactured and during storage, the Supplier shall coat the parts with rust preventative oil within 8 hours of manufacture. This requirement applies to materials such as C1026, C1117, C1215, Greek Ascoloy, C416, C440C, mag iron or any other material containing iron that is prone to rust when exposed to moisture or high humidity during storage periods. **Neeco's preference is for ZC-010 or equivalent rust preventive oil.**

4.5.1 440C Weld Assemblies

440C steel welded assemblies (i.e. Seat Weld Assemblies) are extremely susceptible to rust/corrosion and contamination. When processing assemblies through NDT (penetrant, magnetic particle), assemblies must be thoroughly cleaned, dried and oiled with rustpreventive oil. Suppliers shall use ZC-010 or equivalent to prevent rust/corrosion and build-up of FOD/contamination inside assemblies.

4.5 PO Acceptance and Delivery Window

It is very important for suppliers to accept purchase orders in a timely manner or request any changes as soon as possible. Suppliers should accept purchase orders or request due date or other changes within seven (7) business days. After seven days, the due date is considered accepted and any orders delivered after the due date will be considered late.

The Supplier shall make deliveries to Neeco based on the following receiving window:-

On-Time is considered received on the due date or up to 7 days early



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

Unacceptable delivery performance is considered more than 7 days early or more than 1 day late

All receipt of products outside this window will be scored as LATE and will affect the Supplier's score card. Neeco reserves the right to refuse early shipments and may elect to return them at Supplier's expense.

4.6 Additional Quality Clauses

The special product quality assurance **clauses** defined by the various Q-codes in Section 5.0 apply when the Q-code number is specified in the Quality Assurance Requirements section of the Purchase Order.



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

Section V - **ADDITIONAL QUALITY CLAUSES – Only apply when included on Purchase Order**

Specific Q-Codes (clauses) will apply when indicated on the Purchase Order. Refer to the Quality Assurance Requirements section of the Purchase Order (bottom right corner of the purchase order form) for applicable clauses.

N02 Adopted Additional Requirements

Due to the complexity of some of the quality requirements flowed down to Neeco by our customers, Neeco may adopt their requirements in addition to our internal requirements to form our total purchase order quality requirements. In these cases, copies of these documents will be provided with our Purchase Order. Examples of these documents could include MQIs, P9112, **Supplier Quality Manuals**, manufacturing process instructions, etc. **Neeco shall note the specific documents and requirements on the Purchase Order.**

N03 Lot Acceptance

For manufactured product(s), unless otherwise specified on the Purchase Order, the Supplier shall inspect each lot prior to delivery to Neeco by using sampling per ANSI/ASQ Z1.4. Alternate lot sampling plans that meet Neeco Sampling requirements are acceptable. See Section 3.8 and Appendix A – NEECO INSPECTION SAMPLING PLAN, for required minimum AQL/AOQL for Neeco and Neeco's customers. Should any characteristic be found to be noncompliant, the lot shall be screened 100% for that characteristic(s) and all nonconforming parts shall be removed from the lot before shipment (c=0 rule).

N04 Source Inspection

Items on this Purchase Order are subject to inspection and/or test at Supplier's facility by a Neeco quality representative prior to shipment. The representative may be accompanied by, or the representative may be, a Neeco customer or government source representative. The Supplier shall furnish, at no cost, acceptable facilities, equipment, personnel and assistance as necessary for such inspectors or tests.

Evidence of source inspection shall accompany Supplier's shipment, but source inspection shall not constitute final acceptance of the material. Final acceptance shall be at Neeco's facility only. The Supplier shall notify Neeco at least 48 hours in advance of material readiness to schedule source inspection.

N05 Certificate of Conformance (C of C)

In addition to providing a C of C meeting the requirements of **N01 Section 3.12.**, the Supplier shall furnish all certifications (material, process, etc.), issued by Supplier or Supplier's Sub-tier sources. All certifications shall be legible and remain legible for two (2) reproductions (copies). A copy of all certifications must be included in the shipment. The Supplier is responsible for verifying certifications furnished by Supplier's Sub-tier sources for their adequacy and compliance to the Purchase Order and the requirements herein. To assure the adequacy and authenticity of all certifications furnished by Supplier, the certifications shall include the name of the issuing organization and shall be signed by an official of the issuing organization. Only actual signatures rendered in black (preferred) or dark blue ink by the signing official or **digital signatures** are acceptable to Neeco. The Supplier or Sub-tier source official may use a quality or inspection stamp in lieu of a signature, providing that such stamp(s) identify the Supplier and the Supplier's authorized individual to whom the stamp is assigned, and that the issue, use and control of such stamp(s) are governed by Supplier's and/or Sub-tier source's documented procedures.

N06 Supplier Furnished Raw Material

With each delivery of products, the Supplier shall provide material certifications and test reports covering the material used to fill this order. All certifications shall meet the requirements of **N01 Section 3.12.** A copy of the certifications shall be included with the shipment.

In addition, for metallic materials, each lot or heat of material supplied on this purchase order shall include, as applicable, the material name or designation, alloy, type, class, grade or condition, producer (mill) name, the lot or heat number, the material specification and



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

revision and the chemical / physical test report(s) to which the material complies. The certifications shall also clearly state the country of origin of melt for all raw materials being provided or used to manufacture the product being provided. In addition, the seller shall ensure compliance to the counterfeit parts requirements per **N01 Section 3.5.3**.

When a manufactured part is furnished using raw materials provided by the Supplier, and subsequent Heat Treat is required per the drawing or indicated on the Purchase Order, the Supplier shall furnish at least three 1" long samples of raw stock from the same material used to produce the parts delivered to Neeco. These samples are for use by Neeco for hardness verification testing after heat treat of manufactured parts. These material samples shall be bagged and tagged with the following minimum information: material type, size, mill heat number, Neeco purchase order number and Neeco part number. If multiple heat lots are utilized, the parts shall be segregated by heat lot used and multiple segregated samples from each lot of material shall be provided and clearly marked with the relevant material lot information.

For orders with multiple releases, bar stock samples shall be included with every delivery (every line/release) of parts.

(N07 Moved – N06 Applies)

N08 Neeco Furnished Material

Raw material will be furnished by Neeco. **The Supplier shall verify the material is tagged with the material type and lot number and that the material type matches the drawing or purchase order requirements.** When delivering the **final** product, a Certificate of Conformance meeting the requirements of **N01 Section 3.12** shall be submitted with the shipment to Neeco. In addition to the required information, the C of C shall **include** the statement: "Parts manufactured from material furnished by Neeco Company." The disposition of any excess material will be Neeco's responsibility. It is the responsibility of the Supplier to maintain control of Neeco furnished material to avoid lost traceability or use on any other product while in their possession. Traceability at a minimum shall include the material identification (Neeco P/N) and original Neeco material purchase order number. This is the same information provided with the material and shall accompany any excess material when returned to Neeco. **Neeco works with many sizes and types of similar materials, which is why maintaining positive control and traceability of material is extremely important. If material traceability is lost (i.e. tag lost, bars misplaced without lot/tag information), the material is suspect and must be segregated, marked as suspect and returned to Neeco for replacement at the Supplier's expense. Material with no traceability shall not be used on parts delivered to Neeco.**

N09 Special Process Certifications

Each special process to be performed in support of this purchase order (i.e. welding, plating, heat treatment, chemical film application, x-ray, dye penetrant inspection, magnetic particle inspection, brazing, etc.) shall be certified by the Supplier or Sub-tier source performing the process as having been performed to the applicable specifications called for on the Purchase Order. **All special processes must be performed by Nadcap approved suppliers (as applicable). Depending on the commodity and customer requirements, exceptions may be approved, but the Supplier must submit requests for exceptions in writing, prior to delivery of parts. When indicated on the Purchase Order, the Supplier must use special process Suppliers approved by Neeco's customer.**

Approved process Suppliers for Neeco's various customers **are** available upon request. **All certifications shall meet the requirements of N01 Section 3.12.** In addition to the process certification, when certified operators are a requirement as called out in the process specification, the certification shall include a statement similar to: "We hereby certify that [operator's name or other identifying information i.e. controlled stamp, etc.] performed the [name of process] required by **[drawing number/specification]**, in accordance with [applicable specification]. Operator has been trained to perform stated process and objective evidence of their current qualification status is on file and available for review".

Testing of Actual Parts is Prohibited. Destructive test results such as hardness indentations are detrimental and unacceptable to the end use of the part. No actual part testing which causes deformation or damage to the part surface shall be performed without prior approval by Neeco. These samples shall be processed with the lot in order to represent the same processing as the part(s).



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

N10 Test Data

For special processes (heat treat, plating, NDT, etc.), **the certification shall report** compliance with requirements of the applicable specification, **including both acceptance criteria and actual test results. All certifications must** meet the requirements of **N01 Section 3.12**.

Testing of Actual Parts is prohibited. Per **N06**, bar stock samples will be provided for testing in lieu of testing the actual part(s). Destructive test results such as hardness indentations are detrimental and unacceptable to the end use of the part. **No actual part testing which causes deformation or damage to the part surface shall be performed without prior approval by Neeco.** These samples shall be processed with the lot in order to represent the same processing as the part(s). For heat treated or annealed materials, at least one of these 1" long samples used during the process shall be returned to Neeco with the shipment for use by Neeco to verify the reported hardness results. This sample shall be identified with the part number, Sub-tier outside process purchase order number and Neeco purchase order number.

Sub-tier Special Process testing of Actual Parts is prohibited. When the Supplier is providing raw material for manufactured parts, and subsequent processing such as heat treat is required, the Supplier shall provide a minimum of three 1" long samples to their approved Sub-tier source for testing in lieu of actual part testing. **The Supplier shall flow down to the Sub-tier source(s) the requirement that no actual part testing which causes deformation or damage to the part surface shall be performed without prior approval by Neeco.** The Supplier shall require the Sub-tier source to return at least one of these 1" long samples to them for verification of hardness or other required test verifications. This sample shall be retained by the Supplier per the requirements of **N01 Section 4.1**. The Supplier may also forward this sample to Neeco, with the product delivery, for retention at Neeco. This sample must be bagged and clearly marked with Neeco's Purchase Order number and line, part number, revision, Supplier purchase order number, Sub-tier source, material type and specification.

N11 Raw Material Analysis

Prior to manufacturing, the Supplier shall, at no charge, furnish a sample of material intended to be used to complete this Purchase Order. This sample shall be submitted to Neeco for chemical and physical analysis. **When N11 is required, any decision by the Supplier to fabricate parts prior to analysis and material approval shall be at Supplier's risk.**

N12 Supplier Analysis

When required by Neeco's customer flow down or when requested by Neeco, the Supplier shall send a sample of material they intend for use on this Purchase Order to an independent testing laboratory for chemical and physical analysis at the Supplier's expense. **The independent laboratory shall be certified to ISO 17025. Any decision to fabricate parts with this material prior to analysis results and approval shall be at Supplier's risk.** The material analysis results must comply with the material composition and properties listed in the applicable material specification. This additional verification shall be performed at least once during a twelve (12) month period. The results of this analysis shall be reported to Neeco. The Supplier will notify Neeco of any material found to be non-conforming during verification, along with containment action plan within 24 hours (See N01 – 3.13.3 Notification of Non-Conforming Product Delivered to Neeco).

(N13 Calibration – Moved to N01 Section 4.2 – Applies to all orders)

N14 First Article Inspection Report (FAIR)

The Supplier shall prepare a First Article Inspection Report (FAIR) package per AS9102 and furnish a copy of the completed FAIR results (including all material, process and other certifications required by the Purchase Order and/or drawing notes) with the initial



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

delivery of products on the Purchase Order. The **FAIR** shall be repeated and submitted any time **an event specified in AS9102 occurs (such as a change to the revision of the drawing, significant changes in the manufacturing method, lapse in production of 2 years, etc.)** or if the Purchase Order specifies a **FAIR** is required with each delivery. If specified on the Purchase Order the First Article part shall be submitted to Neeco for review and acceptance prior to delivery of the lot. The First Article part shall be separately bagged and clearly identified.

N15 Final Inspection Report (FIR)

Prior to each delivery of products to Neeco, the Supplier shall perform final inspection on all products and document the results on a Final Inspection Report (FIR). The FIR shall represent the manufacturing lot to be shipped. The FIR format is optional but shall show each requirement and the actual **result or range of** inspection results obtained for each of the drawing or specification requirements. The FIR shall be submitted with the shipment to Neeco.

(N16 Silver-Coated Copper Wire Red Plaque Avoidance – Moved to N01 Section 3.18)

N17 Domestic Melt Source Required

All raw materials and materials used to manufacture parts per this contract **must be Domestic Melt Material. Additionally, Domestic Melt Material is required when ANY of the following apply: the purchase order or item number/description indicates “DM”, “Domestic Melt”, “Domestic Required” or similar.** Unless prior approval is obtained from Neeco to use non-Domestic Melt source material, any parts delivered from unapproved sources will be returned to the Supplier for replacement at the Supplier's expense. The origin of mill source must be identified on the supplied certifications. Refer to **N01 Section 3.12** and N05 for more detail regarding certification requirements.

Certifications must be legible and reproducible for two generations. Material will be rejected if the certification is not legible. Refer to **N01 Section 4.1** for more details regarding records and record retention.



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

APPENDIX A – NEECO INSPECTION SAMPLING PLAN

AQL VERSION

Refer to the following table to determine the sample size, accept (AC) and reject (RE) quantities specified for the lot size and AQL.

1.5 AQL		1.5 AQL		2.5 AQL		2.5 AQL		4.0 AQL		4.0 AQL	
LOT SIZE	SAMPLE SIZE	AC	RE	LOT SIZE	SAMPLE SIZE	A C	RE	LOT SIZE	SAMPLE SIZE	AC	RE
2-8	100%	0	1	2-8	5	0	1	2-8	3	0	1
9-15	8	0	1	9-15	5	0	1	9-15	3	0	1
16-25	8	0	1	16-25	5	0	1	16-25	3	0	1
26-50	8	0	1	26-50	5	0	1	26-50	13	1	2
51-90	8	0	1	51-90	20	1	2	51-90	13	1	2
91-150	32	1	2	91-150	20	1	2	91-150	20	2	3
151-280	32	1	2	151-280	32	2	3	151-280	32	3	4
281-500	50	2	3	281-500	50	3	4	281-500	50	5	6
501-1200	80	3	4	501-1200	80	5	6	501-1200	80	7	8

Instructions: Select sampling plan for supplier noted on drawing. If not listed use Neeeco Default (AOQL 1.5).

NOTE: Neeeco employs a Zero-Acceptance Number Sampling Plan, Fifth Edition ($c=0$) in certain circumstances in conjunction with the AQLs and sample sizes listed above.



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

APPENDIX B – SPECIALTY METALS REFERENCE LIST (PER DFARS 252.225-7009)

The table in Appendix B is provided as a 'For Reference Only' list of materials commonly used for Neeco and Neeco customer's designs. Each material is categorized as 'Specialty Metal' or 'Non-specialty Metal' as defined by DFARS 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metal. In the event this list conflicts with the DFARS requirements, DFARS shall take precedence. The list of materials in the table below does not include every metal used in every Neeco or Neeco customer's design. When a metal is encountered that is not included in this list, refer to the requirements of DFARS 252.225-7009 for definitions, restrictions and exceptions. The omission of any material from the table below does not indicate that the material is or is not a specialty metal. This table may be updated as necessary, in accordance with changes to DFARS requirements as applicable.

Material Category	Type/Specification	Specialty Metal as Defined by DFARS 252.225-7009
STEEL	300M	
STEEL	4037	YES
STEEL	4130	YES
STEEL	4140	YES
STEEL	4340 or E4340 or 4340M	YES
STEEL	4340 per AMS 6415	YES
STEEL	4620 or 4620H	YES
STEEL	52100	YES
STEEL	6150	YES
STEEL	8620 or 8620H	YES
STEEL	8630	YES
STEEL	8740	YES
STEEL	9254 per ASTM A877	YES
STEEL	9310	YES
STEEL	A2	YES
STEEL	Alloy Steel per FF-S-86	YES
STEEL	AMS 6280	YES
STEEL	ASTM A351 All Grade	YES
STEEL	ASTM A600 All Types	YES
STEEL	ASTM A681 All Types	YES
STEEL	ASTM F835	YES
STEEL	Carpenter Silicon Core B-FM	YES
STEEL	D2	YES
STEEL	D6AC	YES
STEEL	FX-1008	YES
STEEL	H11	YES



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

STEEL	Chrome or Silicon Wire Per ASTM A401	YES

Material Category	Type/Specification	Specialty Metal as Defined by DFARS 252.225-7009
STEEL	Chrome Vanadium Spring Wire Per ASTM A232	YES
STEEL	M-50 Per AMS 6490	YES
STEEL	Nitralloy or Nitralloy 135	YES
STEEL	QQ-W-412 Comp 1	YES
STEEL	QQ-W-412 Comp 2	YES
STEEL	Silicon Core Iron per ASTM A867	YES
STEEL	Steel per AN-S-9 or MIL-S-6050	YES
STEEL	Vascomax All Grades (Maraging 300 Alloy Steel)	YES
STEEL	1010	NO
STEEL	1015	NO
STEEL	1018	NO
STEEL	1020	NO
STEEL	1025	NO
STEEL	1026	NO
STEEL	1075	NO
STEEL	1090	NO
STEEL	1095	NO
STEEL	B1113	NO
STEEL	C1117	NO
STEEL	C1137	NO
STEEL	1141	NO
STEEL	1144	NO
STEEL	1213 or C1213	NO
STEEL	1215 or C1215	NO
STEEL	4750	NO
STEEL	Carbon Steel per FED-SDT-66	NO
STEEL	Carbon Steel per FF-S-103	NO
STEEL	Carbon Steel per FF-S-107	NO
STEEL	Carbon Steel per MIL-S-7952	NO
STEEL	G10180 per ASTM A108	NO



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

STEEL	G12150 per ASTM A108	NO
STEEL	Low Carbon Steel per QQ-S-698	NO
STEEL	Low Carbon Steel IAW AISI 1067-1075	NO
STEEL	MIL-S-7952- Steel Comp 1025	NO
STEEL	Music Wire - ASTM A 228	NO
STEEL	Music Wire per QQ-W-470- ASTM A 228	NO
STEEL	Steel Weldless Safety Chain per RR-C-271	NO

Material Category	Type/Specification	Specialty Metal as Defined by DFARS 252.225-7009
STAINLESS STEEL	A286	YES
STAINLESS STEEL	AM 355	YES
STAINLESS STEEL	301 Or 301.250H or 301-H	YES
STAINLESS STEEL	302 or 302 COND B	YES
STAINLESS STEEL	303	YES
STAINLESS STEEL	304 or 304L	YES
STAINLESS STEEL	316 or 316L	YES
STAINLESS STEEL	321	YES
STAINLESS STEEL	347 - Chromium-Nickel	YES
STAINLESS STEEL	384	YES
STAINLESS STEEL	410	YES
STAINLESS STEEL	416	YES
STAINLESS STEEL	420	YES
STAINLESS STEEL	430F or 430F(Se)	YES
STAINLESS STEEL	431 - Martensitic Stainless Steel	YES
STAINLESS STEEL	440 or 440C	YES
STAINLESS STEEL	13-8 or 13-8 Mo, or PH 13-8 Mo	YES
STAINLESS STEEL	15-5	YES
STAINLESS STEEL	15-7 or 15-7 Mo, or PH 15-7 Mo	YES
STAINLESS STEEL	17-4	YES
STAINLESS STEEL	17-7	YES
STAINLESS STEEL	18-8- Type 304	YES
STAINLESS STEEL	AMS 5504 -410 Stainless	YES
STAINLESS STEEL	AMS 5610 - 321 Stainless	YES
STAINLESS STEEL	AMS 5621 -420 Stainless	YES
STAINLESS STEEL	AMS 5688- 302 Stainless	YES
STAINLESS STEEL	AMS 5731- Alloy A286	YES
STAINLESS STEEL	AMS 7245- 304 Stainless	YES
STAINLESS STEEL	ASTM B473 - Alloy 20	YES



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

STAINLESS STEEL	ASTM B729 - Alloy 20 Seamless Nickel Pipe	YES
STAINLESS STEEL	CRES per ASTM 276 or ASTM A276	YES
STAINLESS STEEL	CRES per FED-STD-66	YES
STAINLESS STEEL	CRES per QQ-S-763	YES
STAINLESS STEEL	Custom 455	YES
STAINLESS STEEL	Greek Ascoloy - 418 Stainless	YES
STAINLESS STEEL	N08020 - Nickel Alloy 20	YES
STAINLESS STEEL	S34700	YES
STAINLESS STEEL	Steel Wire per QQ-W-432	YES

Material Category	Type/Specification	Specialty Metal as Defined by DFARS 252.225-7009
STAINLESS STEEL	Steel Per AMS 7211	YES
STAINLESS STEEL	XM-7 - 302HQ, 304CU, 304HQ	YES
NICKEL ALLOY	Hastelloy X	YES
NICKEL ALLOY	Inconel 600 - AMS 5540 - N06600	YES
NICKEL ALLOY	Inconel 625	YES
NICKEL ALLOY	Inconel 718	YES
NICKEL ALLOY	Inconel X-750	YES
NICKEL ALLOY	Monel K-500	YES
NICKEL ALLOY	Nickel Copper/ QQ-N-281	YES
NICKEL ALLOY	N21 - Ni 200	NO
TITANIUM	Ti 6A1-4V or Ti 6A1-4V STA	YES
TITANIUM	All Titanium Compositions	YES
COBALT ALLOY	Cobalt Alloy per ES2-171	YES
COBALT ALLOY	Elgiloy	YES
COBALT ALLOY	Haynes 25	YES
COBALT ALLOY	Haynes 188	YES
COBALT ALLOY	L-605 - Haynes 25	YES
COBALT ALLOY	MP159	YES
COBALT ALLOY	Stellite 6B	YES
IRON-NICKEL ALLOY	Nitronic 60- Alloy 218	YES
IRON-NICKEL ALLOY	HYMU80	NO
MAGNETIC ALLOY	Alnico 5.5/0.64	YES
MAGNETIC ALLOY	Alnico-V	YES
MAGNETIC ALLOY	Alnico-I	YES
MAGNETIC ALLOY	Alnico-II	YES
MAGNETIC ALLOY	Alnico-III	YES
MAGNETIC ALLOY	Alnico-8	YES
MAGNETIC ALLOY	Hiperco 50A - (Cobalt Alloy)	NO



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

MAGNETIC ALLOY	MIL-N-14411 COMP 3	NO
MAGNETIC ALLOY	Neodymium Iron Boron Type 30/18	NO
MAGNETIC ALLOY	Permendur 2V	NO
MAGNETIC ALLOY	Permendur 49	NO
MAGNETIC ALLOY	Samarium Cobalt	NO
MAGNETIC ALLOY	Carpenter Electrical Iron per ASTM A848 Alloy 1	NO
MAGNETIC ALLOY	MIL-N-14411 Comp 5	NO
OTHER METALLIC ALLOY	C66430 per ASTM B694	NO

Material Category	Type/Specification	Specialty Metal as Defined by DFARS 252.225-7009
OTHER METALLIC ALLOY	Meehanite	NO
OTHER METALLIC ALLOY	Tantalum 10W	NO
OTHER METALLIC ALLOY	Tungsten	NO
OTHER METALLIC ALLOY	TZM Type 364	NO
COPPER ALLOY	Al-Ni-Br, or Al-Ni Br OND A, or Al-Ni-BRZ	NO
COPPER ALLOY	AMS 4510	NO
COPPER ALLOY	AMS 4720	NO
COPPER ALLOY	ASTM B16	NO
COPPER ALLOY	ASTM B36	NO
COPPER ALLOY	ASTM B98	NO
COPPER ALLOY	ASTM B99	NO
COPPER ALLOY	ASTM B134	NO
COPPER ALLOY	ASTM B206	NO
COPPER ALLOY	Berylco 14	NO
COPPER ALLOY	Beryllium Copper	NO
COPPER ALLOY	BRASS per QQ-B-611	NO
COPPER ALLOY	Cupronickel	NO
COPPER ALLOY	CDA 715	NO
COPPER ALLOY	CDA A67300	NO
COPPER ALLOY	C17200 or Be-Cu	NO
COPPER ALLOY	C17510	NO
COPPER ALLOY	C26000	NO
COPPER ALLOY	C62400	NO
COPPER ALLOY	C63000	NO
COPPER ALLOY	C64200	NO
COPPER ALLOY	C65100	NO
COPPER ALLOY	C65500	NO



SUPPLIER QUALITY MANUAL

Document No. : NI-SQM-01

Revision No. : 01

Date : 11/13/2021

COPPER ALLOY	C66100	NO
COPPER ALLOY	C67300	NO
COPPER ALLOY	C92200	YES
COPPER ALLOY	642	NO
COPPER ALLOY	6730	NO
COPPER ALLOY	6731	NO
COPPER ALLOY	674 Brass	NO
COPPER ALLOY	675 Bronze	NO
ALUMINUM	850	NO

Material Category	Type/Specification	Specialty Metal as Defined by DFARS 252.225-7009
ALUMINUM	1100	NO
ALUMINUM	1145	NO
ALUMINUM	2011	NO
ALUMINUM	2024	NO
ALUMINUM	2219	NO
ALUMINUM	3003	NO
ALUMINUM	356, A356, or A356.0	NO
ALUMINUM	355, C355, or C355.0	NO
ALUMINUM	357, A357, or A357.0	NO
ALUMINUM	380, A380, or A380.0	NO
ALUMINUM	6061	NO
ALUMINUM	7050	NO
ALUMINUM	7075	NO
ALUMINUM	TENS 50	NO
NON-METALS	Nitrile	NO
NON-METALS	Vespel All Types	NO