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1.0 PURPOSE

Cannon Gasket, Inc., herein referred to as the “Buyer”, produced this document to establish a common source for the communication and identification of applicable supplier quality requirements as noted on a Purchase Order (PO).

2.0 SCOPE


To define the requirements and expectations of quality clauses on a PO.

3.0 RESPONSIBILITY

It is the responsibility of the supplier to review the quality clauses on the PO and ensure compliance. If there is confusion or conflict with a quality clause or buyer’s documentation related to the PO, it is the supplier’s responsibility to contact the buyer to resolve such issues prior to processing the PO.

4.0 ACRONYMS & DEFINITIONS

KASL	Key Approved Supplier List
Buyer	Cannon Gasket, Inc.
C of A	Certificate of Analysis
C of C	Certificate of Conformance/Compliance
CAPA	Corrective Action, Preventive Action
FAI	First Article Inspection
FAS	First Article Sample
FOD	Foreign Object Debris
MHP	Mandatory Hold Points
MRB	Material Review Board
NMR	Nonconforming Material Report
OEM	Original Equipment Manufacturer
PO	Purchase Order or Contract (including Change Orders)
QMS	Quality Management System
QPL	Qualified Products List
RTV	Return-to-Vendor
SCAR	Supplier Corrective Action Request
Supplier	Vendor, contractor, subcontractor, sub-tier supplier, seller, processor.

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5.0 Quality Clauses

QC0: COMMON QUALITY CLAUSES (Applies to All Purchase Orders):

A. QUALITY MANAGEMENT SYSTEM (QMS):

Supplier shall maintain a Quality Management System that complies with the requirements of ISO 9001 or equivalent in terms of maintaining minimum requirements of the following:

1. Control of Records
2. Customer Focus
3. Product Realization
4. Purchasing Process
5. Identification and Traceability
6. Control of Measuring Equipment
7. Control of Nonconforming Product
8. CAPA

B. INSPECTION SYSTEM:

Supplier shall maintain an inspection system to assure compliance to all applicable specifications and requirements.

C. MEASUREMENT AND TEST EQUIPMENT:


All measurement, test and special processing equipment shall be subjected to a visual, dimensional and operational inspection, as applicable, when initially received and at periodic intervals thereafter. Objective evidence of traceable calibration shall be recorded. Each piece of equipment shall be labeled with the date of verification/calibration, date by which the next verification/calibration is required and a code/ID to trace back to the records. The necessity for and/or frequency of periodic verification/calibration shall be based on objective evidence of the stability and continued accuracy of the equipment. The standards against which test and measurement equipment is checked shall be traceable to national, international or intrinsic standards and shall be of sufficient accuracy to verify conformance to the equipment manufacturer(s) tolerance.

D. RECORD RETENTION:

All records related to satisfying a PO shall be maintained for a minimum of 10 years following receipt of payment. The records shall be adequate to ascertain the quality level of the production processes and material/product provided. The records shall provide process and raw material traceability. Records shall be provided upon buyer request.

E. NON-CONFORMING MATERIAL AND DEVIATION REQUEST:

The supplier does not have Material Review Board (MRB) authority to accept nonconforming material/product to be delivered. The supplier's system for non-conforming material control shall ensure the identification and containment of the material. Supplier shall provide notification of a non-conformance. Buyer approval of non-conformances must be granted using buyer's Request for Deviation Form F_045.

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Buyer reserves the right to decline deviation requests. An approved form must accompany deviated shipments.

F. RE-SHIPMENT OF REJECTED MATERIAL:

Material rejected by the buyer must be re-shipped with documentation clearly indicating the material has been reworked or being returned as received. If applicable, note the buyer's Non-Conforming Material (NMR) Report number on the documentation accompanying the re-shipment.

G. SAMPLING INSPECTION – BUYER'S:

Material/product or processing supplied under a PO may be subjected to sampling inspection at the buyer's facility and verification of compliance to required specifications and quality clauses. If identified to be non-conforming; the order may be returned for replacements, rework, sort, or credit and a SCAR may be required. If the buyer's MRB determines the non-conforming product is needed and RTV is not an adequate option, the disposition may be to rework (or sort, etc.) all or part of the shipment at the buyer's facility – in this case, the buyer reserves the right to charge the supplier for expenses incurred in the process of resolving the non-conformance. Non-conformances could affect future procurement and/or status as an approved supplier.

H. SUPPLIER CORRECTIVE ACTION REQUEST (SCAR):

The supplier is required to respond to a buyer's request for root cause and corrective action. Upon notification of a non-conformance with a SCAR, the supplier shall conduct containment action immediately and complete a root cause analysis and proposed/implemented corrective action within ten (10) working days or within the due date if the SCAR has one assigned. The response can be in the form provided by the buyer or a format chosen by the supplier so long as it includes all the essential details. Failure to provide an adequate response within the time frame requested could affect future procurement and/or status as an approved supplier.

I. RIGHT OF ACCESS:


The buyer, the buyer's customers and regulatory authority representatives shall have right of access to all quality management system documentation, all applicable records and all facilities involved in this PO.

J. DOCUMENTATION – COMPLIANCE AND CONTROL:

The supplier shall assure they have a revision of the drawing matching the revision noted on the PO. If a specification is referenced in related documentation, the revisions in effect are as of the date of the PO. If the supplier does not have a copy of the current revision specified on the PO or associated documentation, the buyer's purchasing agent should be notified immediately.

K. PRODUCT/PROCESS CHANGE APPROVAL:

The supplier shall notify the buyer of any proposed changes in design, materials, fabrication methods or processes and changes that could affect fit, form and functionality. Buyer approval of such a change must be granted prior to fulfilling the PO

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using buyer's Request for Deviation Form F_045. If approved, the approved form must accompany affected shipments.

L. QUALITY FLOW DOWN TO SUB-TIER SUPPLIERS:

The supplier shall assure all relevant PO requirements are flowed down to their sub-tier suppliers. The sub-tier suppliers are responsible for compliance with the same specified requirements on the buyer's PO

M. CERTIFICATE OF CONFORMANCE (C of C):

Supplier shall include with each shipment a C of C, which may be incorporated in the packing slip. The C of C shall contain a statement certifying that items supplied on this PO comply with all applicable requirements of the PO, drawings and specifications and further certify that all applicable certifications, manufacturing records, and inspection and test reports are maintained on file and available for review upon request.

The C of C shall include the following:

1. Supplier's full name, address and contact information
2. PO number
3. Buyer's part number and revision
4. Date code and serial numbers (if applicable)
5. Supplier's part number (if applicable)
6. Item description (include industry standard and specification the product was made/processed to as applicable)
7. Quantity shipped
8. Date of manufacture and cure date (if shelf life applicable)
9. Lot/Batch number of items supplied
10. Lot/Batch/Heat Number of raw material to link to C of A (if applicable)
11. Lot/PO number to link to C of C for sub-tier supplier services (if applicable)
12. Statement of conformance as detailed in paragraph above
13. Authorized signature and date

N. SHELF LIFE:


The date of manufacture and expiration date of material that has a shelf life shall be specified of the packing slip or C of C. The date of manufacture and expiration date shall also be stamped on each item. If the size or form of items prohibits marking, the smallest unit containers shall be so identified. Do not ship items with less than 50% of the useful shelf life as determined by the manufacturer.

O. RoHS & REACH COMPLIANCE:

Material/product shall comply with RoHS EU directives, REACH listed Substances of Very High Concern (SVHS) including a RoHS & REACH compliance statement shall be included or indicated on the C of C and/or C of A unless otherwise specified by the drawing, finishing specifications, or PO.

P. RUBBER CURE DATE:

The cure date of the material/product shall be specified on the packing slip or C of C.

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Q. TEMPERATURE SENSITIVE MATERIAL:

The supplier shall identify each shipment of temperature sensitive material with the manufacture date, shelf life, storage temperature and special handling conditions.

R. MATERIAL SAFETY DATA SHEETS (MSDS):

Per Operational Safety and Health Administration (OSHA), each shipment of hazardous material shall contain Safety Data Sheets (formerly MSDS) and labels shall be in accordance with Global Harmonized System (GHS) requirements.

S. MERCURY PROHIBITION:

The supplies furnished under this PO shall not contain functional Mercury or contamination by metallic Mercury or Mercury compounds. The deliverable items shall not come into direct contact with Mercury containing devices employing only a single boundary of containment, one which is not backed by a second seal/barrier to prevent contamination in the event of rupture of the primary seal/barrier. This requirement does not preclude the use of fluorescent lighting fixtures or fixtures employing Mercury vapor lamps, which contain no more Mercury per lumen than a comparable fluorescent lamp.

T. FOREIGN OBJECT DEBRIS (FOD) PREVENTION:


The supplier shall have production processes appropriate for the prevention, detection and removal of all FOD for items supplied on the PO. The items shipped shall be clean and free from FOD and not contaminated with FOD or residue from processing, packaging material and containers used. FOD contamination can be cause for rejection of items supplied.

U. COUNTERFEIT PART PROTECTION:

Supplier shall ensure that material/components used to produce the deliverable items have been procured directly from an Original Equipment Manufacturer (OEM) or a first-tier OEM authorized distributor. If the supplier cannot procure the part directly from an OEM or a first-tier OEM authorized distributor, buyer approval is required. The supplier shall maintain a method of traceability that ensures tracking of the supply chain back to the OEM and shall provide records of this traceability upon buyer request.

V. PACKAGING AND SHIPPING:

Unless otherwise specified, packaging and packing of deliverable items shall be in accordance with standard commercial packaging practices. Items are to be wrapped, cushioned, or compartmentalized as appropriate to avoid damage and deterioration during handling and shipping. Physical, mechanical or damaged finishes can be cause for rejection of items supplied. When multiple lots or part numbers are shipped in one container, they shall be adequately segregated and identifiable. The supplier shall assure that required documents such as certificates, test reports and inspection data are included with each shipment.

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QC1: LOT CONTROL:

The supplies furnished under this PO shall have a means of traceability of the production lot to raw materials used, associated processes and all related records. A production lot shall be defined as parts produced by the same manufacturer, utilizing the same equipment, and during the same timeframe to the same specification requirements. Raw material C of C, C of A and any records related to supplies furnished under this PO shall be provided upon buyer request.

- Raw materials used to produce deliverable items shall be identifiable by a lot code (e.g. unique assigned number, heat number) and a description that should include the material type and specification
- When two (2) or more parts are joined in assembly, the supplier shall prepare an assembly parts list identifying each part in the assembly and the lot of raw material from which each part was fabricated.
- Each production lot shall be produced from one (1) raw material lot. If the supplier needs to use two (2) or more raw material lots to fulfill the PO, the production lots shall be adequately segregated and identifiable to the respective raw material lots from which they were produced.

QC2: CERTIFICATE OF ANALYSIS (C of A):


Material (e.g. raw material) supplied under this PO shall be furnished with a physical, chemical and compositional analysis test report as applicable when requested by the buyer. In addition, the C of A should include the manufacturer’s full name (including address and contact information), Country of origin/melting/smelting, Country of manufacture, specification/standard, revision, material grade and condition, size, heat number, date of manufacture, date of expiration etc. as applicable.

QC3: DFARS 252.225-7009 SPECIALTY METALS RESTRICTION (e.g. Stainless Steel):

Items supplied under this PO shall comply with the requirements of DFARS 252.225-7009 “Restriction on Acquisition of Certain Articles Containing Specialty Metals” (formally 252.225-7014, Alt. 1 “Preference for Domestic Specialty Metals”). The clause prohibits the prime contractor and all suppliers at every tier from incorporating “specialty metals” (as defined by the clause) into military parts, components and/or end item deliverables unless the specialty metals have been melted and manufactured in the United States, its outlying areas, or a qualifying country listed in DFARS 225.872.1. A statement of compliance to DFARS 252.225-7009 (or former 252.225-7014 Alt. 1) shall be included on the C of C and/or a raw material C of A accompanying the C of C showing compliance. Records shall be provided upon buyer request for verification of compliance. Failure to comply can result in rejection of items supplied and could affect future procurement and/or status as an approved supplier.

QC4: SPECIAL PROCESSES:

Suppliers and sub-tier suppliers performing a special process shall certify that these processes were performed in accordance with the specification requirements. The supplier shall also ensure the associated equipment is calibrated and certified as appropriate and

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personnel performing the special process are trained and certified as appropriate. In addition to the standard C of C content as detailed in the common quality clauses section above, the C of C from either the supplier or sub-tier supplier shall identify the products processed, specifications (including revision, tolerances, type, grade class, etc. as applicable) to which the processes conform and a statement expressing calibration, test and process control records are on file and available for review upon request. These processes include, but not limited to, the following:

- Soldering
- Welding
- Brazing
- Bonding
- Casting
- Metal Heat Treating/Annealing
- Chemical Conversion Coatings (e.g. Chromating, Irriditing, etc.)
- Surface Treatments, Finishing or Conditioning (e.g. Anodizing, Passivation, etc.)
- Plating
- Painting

Special processes shall be performed by a key approved supplier as detailed in the buyer's drawing or PO (e.g. Supplier on buyer's key approved supplier list (KASL), specific customer approved supplier, CASE Registered, NADCAP Accredited, etc.).


QC5: NADCAP ACCREDITED PROCESSOR REQUIRED:

Special processes listed below shall be performed only by a NADCAP accredited processor approved to the specific specifications associated with the processes. To search for and identify NADCAP accredited suppliers and to what specifications they are approved, go to www.eauditnet.com. If you do not have an account, you can create one. Upon access, use the "Resource" tab and select "Online QML". This requirement does not absolve the supplier of the responsibility to comply with all specified requirements. The C of C from either the supplier or sub-tier supplier shall identify the products processed, specifications (including revision, tolerances, type, grade class, etc. as applicable) to which the processes conform, state calibration and process control records are on file and available for review upon request and include detail regarding NADCAP accreditation status (e.g. logo).

- Chemical Conversion Coatings (e.g. Chromating, Irriditing, etc.)
- Surface Treatments, Finishing or Conditioning (e.g. Anodizing, Passivation, etc.)
- Plating

QC6: QPL (e.g. Primer, Paint and Ink):

Material such as primers, paints, inks etc. supplied under this PO shall be on the Qualified Products List (QPL) and furnished to the latest revisions in effect as of the date of the PO. Material supplied under this PO shall be accompanied with C of C's and C of A's as applicable.

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QC7: MANUFACTURERS CATALOG, DRAWINGS, ETC.:

The supplier shall furnish one (1) copy of applicable drawing(s), specifications, catalog, or catalog page(s) sufficient to inspect and/or test the items supplied under the PO with the first shipment.

QC8: BUYER SOURCE INSPECTION:

Items under this PO require source inspection by the buyer prior to shipment from the supplier's or sub-tier supplier's facility. The requirement must not be bypassed without written authorization from the buyer. The supplier shall notify the buyer at least ten (10) working days in advance of the date the items are expected to be ready for inspection. Mandatory Hold Points (MHP) may be required. The buyer may designate MHP defining activity shall be performed in such a manner so not to disrupt normal processing and shall be conducted on a noninterference basis. The supplier shall provide a safe place to work and reasonable facilities and assistance for the convenience of the source inspector to perform their duties. The items to be inspected, drawings, documentation, inspection, test, traceability records and any other relevant information shall be prepared and available to the source inspector. Source inspection approval shall accompany the shipment. A source inspection approval does not absolve the supplier of the responsibility to comply with all specified requirements or constitute final acceptance.

QC9: GOVERNMENT SOURCE INSPECTION:

If specified on the PO, government source inspection and/or process inspection is required prior to shipment from the supplier's facility. Upon receipt of this order, promptly notify and provide a copy of the PO to the government representative who normally services your facility so that appropriate planning for government inspection can be accomplished. In the event the representative cannot be located, the supplier shall contact the buyer's procurement agent. Unless otherwise agreed to in writing, the supplier shall provide the government representative with ten (10) working days advance notification of readiness for performance or witnessing of government designated inspections or test and all applicable documents requested and reasonable conditions for conducting or witnessing the inspection or tests. Source inspection approval shall accompany the shipment. A source inspection approval does not absolve the supplier of the responsibility to comply with all specified requirements or constitute final acceptance.

QC10: FIRST ARTICLE INSPECTION (FAI):

The Supplier shall furnish a First Article Report with the first shipment of each item manufactured when:

- It's the first time the supplier has made/supplied the item for Cannon Gasket, Inc.
- A drawing revision.
- A supplier makes a change in the suppliers or major sub-tier support, (i.e., different shop, move locations, etc.)
- Supplier makes an engineering prototype.