

CPI QUALITY CODE BOC

“All the requirements shown below are mandatory flowdowns from Boeing to suppliers’ on the Boeing A10 Program, CPI Job# 2216. There are no exceptions.

D302 SPECIALTY METALS REQUIREMENT

If Seller delivers items under this contract that contain specialty metals, seller agrees that such specialty metals shall be melted in the United States or a qualifying country. The definitions of “specialty metals” and “qualifying country” are set forth in DFARS 252.225-7014 (a) and apply to this contract provision.

D500 SOURCES OF SUPPLIERS

Seller shall procure all fasteners and/or electrical, electronic and electro-mechanical parts delivered to Buyer and/or used in the manufacture of deliverable Buyer hardware directly from the manufacturer or authorized manufacturer's distributor, e.g., licensed or franchised distributor.

E000 SELLER ACCOUNTABILITY REQUIREMENTS FOR GOVERNMENT/BUYER-OWNED PROPERTY

Document viewed at the following address:

http://www.boeing.com/companyoffices/doingbiz/idscommon/clauses/EXXX/E000_20080905.pdf

E002 RENT-FREE, NONINTERFERENCE USE OF GOVERNMENT PROPERTY

The prices stated in this contract assume Seller's use on a rent-free, noninterference basis of Government property. If such property should become other than fully rent-free during the performance of this contract or undergo any other change that might affect their suitability for use hereunder, Seller will promptly notify Buyer. The prices, delivery schedule, and other affected provisions of this contract will be equitably adjusted to reflect the changed circumstances. This same clause will be included in lower-tier subcontracts where rent-free use of Government property is authorized.

E223 IDS SELLER SPECIAL TOOLING REQUIREMENTS

Seller is required to maintain a special tooling management process that complies with the requirements of D950-11059-1, “IDS Seller Special Tooling Requirements.” D950-11059-1 is incorporated herein and made a part hereof by reference. Buyer reserves the right to conduct surveillance at Seller's facility to determine whether Seller's special tooling management process meets the requirements of this clause. A copy of D950-11059-1 can be obtained at the following URL address:

http://www.boeing.com/companyoffices/doingbiz/supplier_portal/index_general.html

F102 RELEASE OF AUDIT REPORTS

Seller agrees no restrictions will be imposed on the release of any audit report under this contract to Buyer. Such audit report released to Buyer shall be used only for the purpose of negotiating a fair and reasonable contract price. Seller further agrees to include the substance of this clause, including this last sentence, in any subcontract where an audit is, or may be, required.

H202S CUSTOMER CONTRACT FLOWDOWN PROVISIONS – ST. LOUIS CONTRACTS

Terms and conditions of Buyer's customer contract that are incorporated in this contract are set forth in the CCR document, which may be accessed at:

<http://www.boeing.com/companyoffices/doingbiz/idscommon/ccr/contracts.htm>
or <http://www.boeing.com/companyoffices/doingbiz/gcc/gcc.htm>

The CCR documents are listed at this URL under the Boeing customer contract number. If the Seller cannot locate the applicable CCR document, please contact Buyer's procurement agent for assistance.

H411 SUBCONTRACT SECURITY

1. The Buyer reserves the right to direct the removal of any subcontractor under this contract due to concerns of the Government pertaining to counterintelligence matters. If the Buyer provides such direction, the Seller will not be entitled to an equitable adjustment.

2. The requirements of this clause shall be included in all subcontracts directly chargeable to this contract, except for those subcontracts with US-owned companies to provide only unclassified commercial products and/or services on a fixed-price basis.

3. Buyer actions under this provision does not relieve the Seller of any responsibility for the effective management of all subcontracts and for the overall success of this contract. Actions taken under the authority of this clause do not establish privity of contract between the Buyer and Seller's subcontractors under this contract, and the Buyer will not provide direction to or request action by any subcontractor.

H905 EMBEDDED OR HIDDEN DATA

Any data provided electronically to the Buyer by the Seller or any of its subcontractors must be reviewed for embedded or hidden data prior to submittal. The submittal(s) should be accompanied by a statement that the Seller or its subcontractors have checked the submittal and that the submittal contains no embedded or other hidden data (links, overlays, etc.) except for that specifically listed in the accompanying statement.

M322 SUBCONTRACT MONITORING

1. The Seller will develop a subcontractor monitoring strategy specific to this contract which must be approved by the Buyer. The strategy must include a process for the contractor to notify the Buyer in advance of the scheduled dates for the tests, meetings, reviews, and other events listed below.
2. In addition, the parties agree that the Buyer and/or the Government shall have the right to: Review all documentation pertaining to source selections or other competitive sourcing activities, fact-finding, and negotiation sessions with or for subcontractors or potential subcontractors.
3. The Buyer and/or the Government may observe any Seller or lower tier subcontractor test, verification, validation, shipment, or other similar event. The Buyer and/or the Government may attend any Seller or lower tier subcontractor status meeting, milestone review, design review, program review, or other similar event.
4. The requirements of this clause shall be included in all subcontracts directly chargeable to this contract, except for those subcontracts with US-owned companies to provide only unclassified commercial products and/or services on a fixed-price basis.
5. Buyer actions under this provision does not relieve the Seller of any responsibility for the effective management of all subcontracts and for the overall success of this contract. Actions taken under the authority of this clause do not establish privity of contract between the Buyer and Seller's subcontractors under this contract, and the Buyer will not provide direction to or request action by any subcontractor.

M412P MANUFACTURING PLAN APPROVAL FOR CRITICAL PARTS

The critical/process-sensitive/flight safety part(s) on this order (or assembly that contains critical/process-sensitive/flight safety parts) will require manufacturing plan approval by the Buyer prior to manufacturing.

M428 CONTINUOUS IMPROVEMENT PLAN

The Seller shall promptly develop a Continuous Improvement Plan (CIP) and shall maintain and update this plan every six (6) months or sooner if any changes are made to the plan. The CIP, as it is updated, shall be based on improvement goals, with suitable metrics, that are approved by the Buyer, following a joint product value stream analysis of both administrative and manufacturing processes focusing on reducing process variability, improved performance, and elimination of waste from the product value stream. The Seller shall also include in the CIP, its key subcontractor's processes.

The Seller shall develop their plan to include the creation of Value Stream maps of the processes, using any Lean, Six Sigma, or other cost saving techniques which is appropriate. The results of the Value Stream analysis shall provide detailed activities with implementation milestones and dates. The activities may

include, but not be limited to, Lean improvement projects, such as lead time reduction, set-up time reduction, pull or continuous flow systems and inventory reduction.

The Seller agrees to support the activities detailed in the CIP, with the appropriate personnel and resources.

Progress towards reaching CIP milestones shall be jointly reviewed by Buyer and Seller on a regular basis and the CIP shall be revised annually to ensure its ongoing relevance to the program needs.

The following is a sample outline for a Continuous Improvement Plan.

1. Goals----This section should state the overriding goals for the improvement efforts. Examples might be:

- To improve affordability of the product
- To improve quality of the delivered product
- To reduce the lead time to deliver the product
- To improve ability to deliver the product on time

2. The CIP should include a listing and description of specific projects and events that will work towards the above goals. For example, Workforce training; Accelerated Improvement Workshops or Kaizen workshops to reduce long setup times, to reduce in-process inventory, or improve product flow; Autonomous Maintenance workshops to improve reliability and availability of critical equipment; 6 Sigma projects to improve first time yield; 5S workshops to improve workplace order and organization.

3. Metrics---these should be measurable, include the current baseline, and should demonstrate progress made towards the goals.

4. Projected schedule---The events listed in section two should be shown on a timeline, with projected conclusion dates. The timeline should also indicate dates for review of progress on the CIP and dates for the next update.

M429 SUBCONTRACT REPORTS

1. Seller is required to report annually all subcontracts issued under this contract. The reports must be submitted to Buyer's Authorized Procurement Representative. Please contact Buyer's Authorized Procurement Representative to obtain a copy of the proper report format. *A subcontract is defined as a contract, subcontract, purchase order or agreement accountable to or issued under the Government's prime contract for the procurement of goods and/or services.*

2. The requirements of this clause shall be flowed down to each subcontract directly chargeable to this contract, except for those subcontracts that meet **all four** of the following conditions:

- Unclassified transaction; and,
- Commercial products, per FAR Part 12; and,
- Firm-price subcontract; and

- The subcontractor is a US-owned company.

*This clause will not be flowed down on subcontracts that meet **all four** of the above conditions, but must still be reported by the contractor awarding the subcontract.*

3. The report must include, at a minimum, the following information for each subcontract:

- a. Subcontractor Name
- b. Subcontractor Address
- c. Data Universal Numbering System (DUNS) Number

- d. Contractor and Government Entity (CAGE) Code
- e. Subcontractor's Parent Company
- f. Subcontractor Ownership (Country)
- g. Internal Program Name or Identifier
- h. Description of Effort
- i. Subcontract Value
- j. Period of Performance
- k. Place of Performance (City, State)
- l. Security Classification of Effort
- m. Contract Type (e.g., Fixed-Price, Cost-Reimbursable)
- n. Business Type (e.g., Small Business, HUBZone Small Business, Educational institution)
- o. Relationship to Prime (If the effort will be performed by another division or legal entity of the prime contractor's parent company, commonly referred to as an inter-organization transfer or internal transfer)
- p. Method Used to Select Subcontractor (Competitive, Sole-Source, Government-Directed)
- q. Level of Subcontract (first-tier subcontractors work directly for the prime; second-tier subcontractors work directly for the first-tier subcontractor; and so on)

4. Submittal Dates: Seller will submit to Buyer's Authorized Procurement Representative each year a Subcontracts Report for (a) all subcontracts that were reported on the previous year's report against this contract (if any), **which will include any and all changes and updates made to the previously reported subcontract since the last report** and (b) all active and inactive subcontracts awarded since the previous year's report up to and including June 1 of the current year.

The Subcontracts Report will be submitted: (a) upon completion of this contract, or (b) no later than June 8 of each year (which ever date is earlier).

Once this contract has been completed, and Seller has submitted the Subcontracts Report, Seller shall not be required to submit any future reports for this contract. Buyer will assume any future reporting responsibility.

5. Buyer's collection of subcontract information does not relieve Seller of any responsibility for the effective management of all subcontracts and for the overall success of this contract. Actions taken under the authority of this clause do not establish privity of contract between Buyer and Seller's subcontractors under this contract, and Buyer will not provide direction to or request action by any subcontractor. Notwithstanding other terms in the subcontract, all subcontractors must respond to direct requests for information from Buyer.

6. Efforts performed by Seller outside of Seller's main location/division/facility to which the contract was awarded are considered subcontracts for the purpose of this clause.

Q004 Boeing Quality Management System (BQMS) Requirements: Appendix A, "Quality Management System" – 11/11/2003

Seller is required to maintain a quality system that complies with the requirements of Appendix A of Boeing Document D6-82479, "Boeing Quality Management System (BQMS) Requirement for Suppliers, as amended from time to time. Boeing Document D6-82479 is incorporated herein and made a part hereof by reference. Boeing reserves the right to conduct surveillance at Seller's facility to determine whether Seller's quality system meets the requirements of this clause. A copy of Boeing Document D6-82479 can be obtained at the following URL address: <http://www.boeing.com/companyoffices/doingbiz/supplier/>

Q011S SUPPLEMENTAL QUALITY REQUIREMENTS

1. Change in Quality Management Representative

Seller shall promptly notify Buyer's Authorized Procurement Representative and Supplier Quality Representative of intended or actual changes in the management representative with assigned responsibility and authority for its quality management system.

2. Change in Quality Management System

Seller shall promptly notify Buyer's Authorized Procurement Representative and Supplier Quality Representative in writing of intended or actual major change to its quality management system that may affect the conformity of its goods or services. Each change to Seller's quality management system is subject to review by Buyer.

Seller shall include, as part of the written notification of change to its quality management system, a list of changed procedures identified by revision level, a description of the intent of the changes and a signed statement that compliance with Buyer's quality system approval has not been diminished.

3. Change in Manufacturing Line, Facility Location or Process

Seller shall promptly notify Buyer's Authorized Procurement Representative in writing of intended or actual change to the manufacturing processes that may affect the quality of delivered goods and services. This includes changes to

Seller's and Seller's subcontractors manufacturing facility location for the contracted goods or services, equipment, or processes for which the product was qualified.

Seller shall promptly notify Buyer's Authorized Procurement Representative in writing of change to its quality control process that may affect the inspection verification of conformity or airworthiness. Notification shall document effect of change to inspection with respect to fit, form, reliability, function, conformity, airworthiness of the Seller's goods or services. Each change to Seller's quality control system is subject to review by Buyer.

4. Natural Disaster Occurrence

Seller shall promptly notify Buyer's Authorized Procurement Representative of any occurrence of natural disaster that diminishes Seller's ability to deliver conforming goods or services.

5. English Language

When specifically requested by Buyer, Seller shall make specified quality data and/or approved design data available in the English language.

Seller shall maintain an English language translation of (1) its quality manual, (2) the operating instructions that implement the quality manual requirements, and (3) an index of Seller's procedures that contain quality requirements. Buyer may require additional documentation to be translated, including but not limited to: shop orders, technical specifications, certificates, reports, and nonconformance documents.

6. Seller's Subcontractors

Seller shall impose all the aforementioned requirements on Seller's Subcontractors.

7. Seller's Change Notification Process

Seller shall document a process for notifying Buyer of intended or actual changes described in the aforementioned requirements.

Q020 APPROVED PROCESS SOURCE

Seller and / or Seller's subcontract process sources shall be an approved processor or shall use Seller and / or Seller's subcontract process sources shall be an approved processor or shall use approved processors as required by D1-4426, "Approved Process Sources". A list of the approved processors and associated processes are available from Buyer's Procurement Agent or at <http://www.boeing.com/companyoffices/doingbiz/d14426/index.html>

This clause shall be included in Seller's subcontracts for work performed under this purchase contract that involves D1-4426 processes.

A Certificate of Conformance and / or equivalent Process Certificate, signed by an authorized agent of the Processor / Seller shall be maintained by Seller. The certificate shall include purchase contract number, part number(s), Trace Number (as applicable), Process Specification number w/revision, processing date(s) and name and address of the Processor(s) performing each of the D1-4426 Process(es).

Buyer approval of any processor shall not relieve Seller of Seller's requirement to comply with the terms of this purchase contract.

Q029 DIGITAL PRODUCT DEFINITION (DPD) / MODEL BASED DEFINITION (MBD)

Seller shall conform to Buyer's document D6-51991 "Quality Assurance Standard for Digital Product Definition at Boeing Suppliers" and obtain Buyer approval as DPD Capable if Seller receives, downloads, and/or uses Buyer's DPD geometry in any format.

- If Seller receives Buyer's DPD geometry in MBD format, Seller is required to obtain Buyer's approval as MBD-capable.
- If Seller provides Buyer's DPD geometry to Seller's subcontractors in any format, Seller shall impose Buyer's document D6-51991 as a requirement and is responsible for its subcontractor's conformance.
- If Seller provides Buyer's DPD geometry in any format to Seller's subcontractors, Seller shall comply with all applicable export laws. A copy of Buyer's document D6-51991 and associated documents can be obtained at the following URL or are available through Buyer's Authorized Procurement Representative.
<http://www.boeing.com/companyoffices/doingbiz/dpd.html>

Q091P CERTIFICATE OF CONFORMANCE - DELIVERABLE

Seller shall create a Certificate of Conformance for each shipment. Seller's original Certificate of Conformance shall be maintained by Seller and copy is to be included with each shipment.

Seller's Certificate of Conformance shall include the following;

- Seller's Name
- Statement attesting that goods and services conform to the contract requirements and applicable Government and Buyer' specifications. If material is Buyer furnished, so indicate.
- Signature or stamp with title of Seller's authorized personnel signing the certificate.
- Buyer's contract number

Note: - If the Certificate of Conformance is for Critical Safety Item, then the certificate must include a statement that the item is either; New, Overhauled

or Repaired. - Distributors shall, in addition to the above, include the manufacturer's name for each item shipped.

Additionally Seller's Certificate of Conformance shall include or be traceable to the following;

- Part number and dash number (when applicable)
- Drawing revision level to which the goods were manufactured (when applicable)

Q224S RECORD RETENTION

Seller shall maintain records of inspections, tests, and process controls called for by this contract. Unless extended record retention requirements are specified elsewhere in this contract or attachments, (e.g. drawings, management reports, etc.) these documents shall be on file and available to Buyer for four (4) years following the end of the calendar year in which the final entry was made or three (3) years after the final payment under this contract, whichever expires first. At any time during the retention period, at Buyer's request, Seller will deliver said records, or any part thereof, to Buyer, at no additional cost to Buyer.

Q831 VALIDATION OF RAW MATERIAL TEST REPORTS

When Seller utilizes test reports to accept Seller purchased raw material, the Following requirements apply:

Test reports shall be checked 100% against Seller's requirements and applicable specifications.

Validation test requirement: Seller shall periodically validate test reports for raw Material accepted on the basis of test reports. That validation shall be accomplished by Seller or other independent party through periodic, scheduled tests of raw material samples. Schedules for frequency of tests will be established by Seller based on historical performance of the raw material supplier.

Seller shall retain test reports provided by the raw material supplier, as well as Seller's validation test results as quality records traceable to the conformance of Goods, as specified elsewhere in this Contract.

Buyer and customer furnished raw material is not subject to the validation test requirement.

Seller shall implement processes and procedures in support of this request