

Mundo-Tech, Inc. Quality Clauses

(used to flow requirements to sub-contractors and for designation of selected internal process requirements stated on travelers)

General (All Apply)

- Q100 Certificate of Conformance: External Provider shall approve, retain, and provide copies of Certificates of Conformance (CoC). The CoC shall include at a minimum: manufacturer name and address; manufacturer and/or buyer's part number and dash number, group number, or similar; commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications; signature or stamp with title of seller's authorized personnel signing the certificate. Distributors shall, in addition to the above, include their name for each product shipped.
- Q100A Department of Defense Contracts: This clause is applicable to all contracts for Qualified Products List (QPL) or Qualified Manufacturers List (QML) controlled material. This clause applies regardless of the point of inspection designated in the contract award. This clause applies both to contracts awarded directly to a manufacturer listed on the applicable QPL/QML and to external providers not listed as approved manufacturers on the applicable QPL/QML. The material supplied must be in strict conformance to the requirements set forth and/or referenced in the item description, including applicable revisions and slash sheets. To ensure this conformance, the contractor must provide a Certificate of Conformance and Traceability (CoC/T) with the information and documentation required by the applicable specification. This documentation must reference the contract number and include a certification signed by the approved QPL/QML manufacturer. In addition, if the material is not procured directly from the approved manufacturer, all additional documentation required by the specification must be provided to establish traceability from the QPL/QML manufacturer, through delivery to the government. The CoC/T is required to determine acceptability of the supplies. If the CoC/T is not provided, is incomplete or is otherwise unacceptable, the supplies will be determined not to meet contract requirements and will be rejected.
- Q101 Quality System in compliance with the requirements of ISO 9001:2015 as a minimum. These systems shall be subject to approval and audit by MTI. Organizations that obtain certification/registration to ISO9001 and subsequently change certification/registration bodies (CRB), lose registration status, or are put on notice of losing registration status, shall notify MTI within three days of receiving such notice from its CRB.
- Q101A Independent Distributors: External provider shall have a quality management system that complies with AS9120 as a minimum. Organizations that obtain certification/registration to AS9120 and subsequently change certification/registration bodies (CRB), lose registration status, or are put on notice of losing registration status, shall notify MTI within three days of receiving such notice from its CRB.

- Q102 During the performance of this order, your Quality Control or Inspection System and manufacturing processes are subject to review, verification and analysis by Authorized Government Representatives, representatives of MTI, the Customer, or any Regulatory Agency. This is known as the “Right of Access”. Inspection or release of product by these representatives prior to shipment is not required unless otherwise notified.
- Q103 External providers are responsible to flow down all design and PO requirements to sub-tier suppliers. In addition, external provider will verify they and all sub-tier suppliers are compliant to AS6174A Counterfeit Material and Service to assure authentic and conforming products.
- Q104 Package per Good Industry Standards.
- Q105 External providers are responsible for notifying MTI of suspicion of nonconforming product during production and after delivery. Disposition will need to be approved by MTI. In addition, vendors must notify MTI of any changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organizational approval, and flow down to the supply chain the applicable requirements including customer requirements, and right of access.
- Q106 Independent Distributors: The seller shall establish and implement test and inspection activities necessary to ensure the authenticity and conformance of purchased material including: traceability and documentation verification; visual examination; tests and inspections.
- Q107 Material Providers: Sellers to ensure that only new and authentic materials are used in material delivered to MTI. The seller may only purchase material directly from original manufacturers, manufacturer franchised distributors, or authorized aftermarket manufacturers. Use of material not provided by these sources is not authorized unless first approved in writing by MTI.
- Q108 Material Providers and Independent Distributors: The seller shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of all items being delivered per this order. This traceability method shall clearly identify the name and location of all supply chain intermediaries from the manufacturer to the direct source of the material for the seller and shall include the manufacturer’s commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications.

- Q109 If suspect/counterfeit material is furnished under this purchase agreement, such items shall be impounded. The external provider shall promptly replace such items with items acceptable to MTI and may be liable for all costs relating to impoundment, removal and replacement. MTI may turn such items over to Authority Having Jurisdiction for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. Any known instances of fraud or attempted fraud shall be documented in writing to MTI.
- Q110 MTI mandates that the highest ethical standards are followed by all external providers, and all applicable laws and regulations are followed at all times. This is necessary for MTI to take into account all stakeholders, including shareholders, employees, end customers, regulatory bodies and suppliers. All external providers must ensure that their personnel are aware of their contribution to product/service conformity and product safety. On-time delivery and quality metrics will be tracked by MTI.
- Q111 All necessary paperwork must be legible. Illegible documentation may cause delays in processing and therefore is means for rejection of parts/services until legible documentation is furnished.

Specific (If Referenced)

- Q200 Calibration must be performed and certified in a manner to satisfy the requirements of ISO/IEC 17025. Standards must be traceable to the National Institute of Standards and Technology.
- Q201 MTI Source Inspection Required.
- Q202 First Article Inspection Report Required per AS9102, Revision B.
- Q203 Special Process requiring current approval by customer. External provider is responsible for notifying Mundo-Tech, Inc if approval has expired.

Supplier Performance Expectations

The performance expectations below apply to all regulated suppliers.

Mundo-Tech supplier's performance is measured based on the following metrics:

Delivery – Number of purchase order receipts that were received up to five (5) business days before or one (1) day after the purchase order line-item due date divided by total receipts and open orders. 50% of total score.

$$[(\# \text{ On Time Deliveries } / (\# \text{ Total PO Line Item Receipts } + \# \text{ Open Orders})) \times 100] = \text{Delivery Score}$$



Quality- 100% minus the number of rejected line items divided by the number of lines shipped. 50% of total score.

$$[100\% - ((\text{Rejected Line Items} / \text{Line items shipped}) * 100)] = \text{Quality Score}$$

$$\text{Total score} = [(\text{Quality Score} + \text{Delivery Score}) / 2]$$

Actual performance will be communicated to critical suppliers on a quarterly basis. Ratings will be assigned as follows. Ratings will be calculated based on a 3 month rolling average.

Excellent	100%
Performing	95% - 99.99%
Acceptable	90% - 94.9%
Underperforming	<90%

Suppliers that are underperforming may be required to provide formal RCCA, be placed on probation, or may be removed from Mundo-Tech's approved supplier list.