NADCAP NEWSLETTER

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IN BRIEF...

Nadcap is an approach to conformity assessment that brings together technical experts from Industry to manage the program by establishing requirements for accreditation, accrediting Suppliers and defining operational program requirements. This results in a standardized approach to quality assurance and a reduction in redundant auditing throughout the aerospace industry.

Nadcap is administered by the Performance Review Institute (PRI), a not-for-profit organization headquartered in the USA with satellite offices in Europe and Asia.

www.p-r-i.org/Nadcap/

WELCOME TO THE EIGHTH ISSUE

This is the eighth issue of this Nadcap newsletter. PRI has been publishing and sharing this content since September 2015. I would like to thank everyone who has given us feedback to help improve this newsletter, and for the positive comments my staff and I have received on the content to date.

The intent of the newsletter continues to be to develop content for companies that are not normally able to send a representative to Nadcap meetings, to share technical information and knowledge that will help them better prepare for a Nadcap audit and understand how to utilize Nadcap effectively to improve their performance.

Each newsletter includes articles designed for the whole Nadcap Supplier community. In this issue, there is an article clarifying the role of the Company Administrator in eAuditNet, and one explaining how the audit process works, as described in OP 1105. Also highlighted are the importance of Asia within the Nadcap community, how to deal with proprietary information during the Nadcap audit process and the new Nadcap Auditee Communication Kit.

In addition to general Nadcap articles, each newsletter has a particular technical focus. In this issue, there is detailed information regarding Nadcap Materials Testing Laboratories (MTL). More than 240 Nadcap MTL audits are conducted annually, yet we know that many people are not able to attend Nadcap meetings and benefit from free training and other information shared there.

I hope you continue to find the content valuable.

Joseph G. Pinto
Executive Vice President & Chief Operating Officer
Performance Review Institute

PROPRIETARY INFORMATION AND NADCAP

The term *'proprietary information'* is used throughout the Nadcap program, but what does the term mean for proprietary information belonging specifically to the Supplier*? This article will attempt to clarify how proprietary information belonging to the Supplier is handled during the Nadcap audit.

To conduct and review a Nadcap audit, information must be shared with the Auditor, Audit Report Reviewer, and

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PROPRIETARY INFORMATION AND NADCAP

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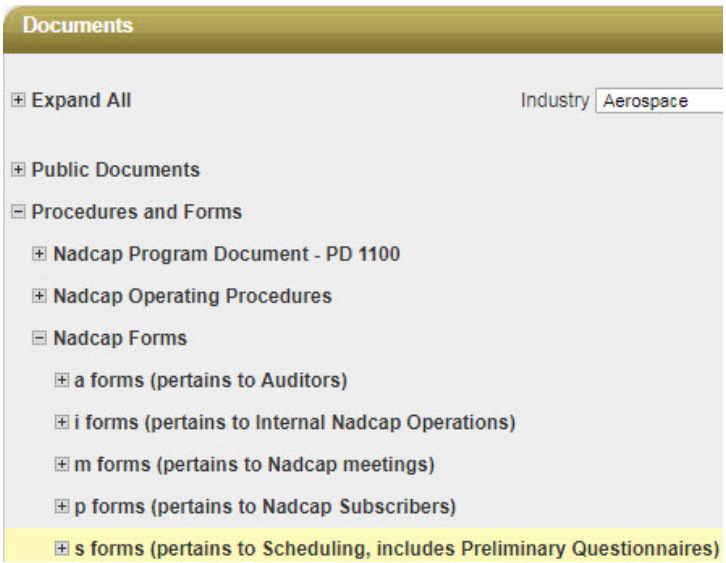
Subscribers. A typical question received by PRI from a Supplier is: 'My procedures and processes are considered proprietary; I am concerned about sharing them with the Auditor and posting them in eAuditNet. What should I do?'

The s-frm-20 Supplier Agreement, which can be found in eAuditNet under Resources / Documents / Procedures and Forms / Nadcap Forms / s forms as shown below must be signed/acknowledged prior to the audit taking place. It states in 3.01 (a) 'in the course of the PRI Audit it may be necessary for Supplier to provide information which could include, in whole or in part, information concerning confidential and/or proprietary information belonging to Supplier or relating to Supplier's business affairs'.



The expectation is that proprietary information belonging to the Supplier needs to be disclosed during the audit process; however, there are controls in place to protect proprietary information. Both Auditors and Subscribers sign agreements stating that they are not to share or use proprietary information obtained as part of the audit process. In addition, sharing or disclosing proprietary information does not necessarily mean that copies of proprietary information must be provided to all persons associated with the audit for them to keep. At different phases of the audit, proprietary information should and can be shared.

Prior to the audit, the Supplier may be requested by some Task Groups to post specific pre-audit documents in eAuditNet. When this new functionality was added to eAuditNet, the system was designed to strictly limit access to the documents to the assigned Auditor – not even the Staff Engineer has access to this information. In addition, pre-audit documents are automatically deleted from eAuditNet when the audit is closed, or 120 days after the audit end date. Regardless, the Supplier may still choose not to post pre-audit documentation in eAuditNet. The documentation can be provided to the Auditor on-site. However, this may require time to be added to the audit to review the information on-site if the required pre-audit documents are not submitted in advance.

During the audit, the Supplier is obligated to share relevant proprietary information with the Auditor. This is stated specifically in Article 3.01 (b) of the Supplier Agreement - 'while the Proprietary Information is recognized as the property of Supplier or the contractors or their Suppliers, such confidentiality shall not be a reason for nondisclosure to PRI Auditors'. The agreement goes on to state that it is the Supplier's responsibility to inform the Auditor of documents that are proprietary and to mark them 'proprietary'.

The agreement stipulates that proprietary information must be disclosed, but this does not mean that a copy of the information must be retained by the Auditor. It is perfectly acceptable to show the document to the Auditor and not allow the Auditor to leave the facility with the document. Lastly as stated earlier, the Auditor is obligated to keep all proprietary Supplier information confidential per their Independent Contractor agreement with PRI.

Non-conformance (NCR) resolution is the last phase of the audit process that may require Suppliers to share proprietary information. The NCR resolution process

NADCAP MTL AUDIT INSIGHT

requires Suppliers to provide objective evidence of actions taken to prevent recurrence. The Audit Report Reviewer needs to confirm that the action has been incorporated into the system, which means verifying that the content in the document matches the written response, and that the document revision was implemented. In the event there is a concern about posting proprietary information, Suppliers can remove proprietary information from the document or attach only the section of the document that pertains to the corrective action. It is important to emphasize that Suppliers shall not post any proprietary information belonging to a third party e.g. customer specification, or industry standard into eAuditNet. Third party proprietary information cannot be included in eAuditNet without permission of the party owning the information and will be removed immediately by the Audit Report Reviewer. Suppliers are encouraged to communicate with their assigned Reviewer if they have any questions or concerns about information to be attached as objective evidence.

Hopefully this article has clarified the expectations for sharing proprietary information with Auditors and posting the information in eAuditNet. If you have any additional questions, you can contact Bob Lizewski.

**In the context of this article the term Supplier applies to all Auditees including companies being accredited under the Subscriber Accreditation options.*

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Industry Managed Programs

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The Nadcap Materials Testing Laboratories (MTL) Task Group was established in April 1992 and is currently led by Chairperson Amanda Rickman of Raytheon Co., supported by Vice Chair, Dan Graves of UTC Aerospace (Goodrich). The MTL Task Group audits aerospace laboratories conducting metallic material testing. Within the Task Group, there are over 80 industry representatives – 29 Nadcap Subscriber representatives from 17 companies and 57 Supplier representatives from 46 companies who actively participate in the technical discussions and decision making.

Much of this activity takes place at the Nadcap meetings that are held three times per year, but the Task Group recognizes that not all industry stakeholders are able to participate and benefit from the opportunities that the meetings represent, such as learning, debating and networking.

Consequently, this article is intended to assist to some degree, by providing insights and sharing lessons learned regarding the Nadcap MTL audit experience.

Additionally, Nadcap MTL information is shared at regional technical symposia organized by PRI, the not-for-profit organization that administers Nadcap. For more information on the upcoming regional technical symposia, please contact PRI at pri@p-r-i.org

The Nadcap MTL Task Group differentiates between two types of laboratories, which are defined below:

- **Captive Laboratory:** a laboratory that belongs to a material, parts or subassembly Supplier, with systems that are dependent on those of the Supplier, and with testing capabilities that are limited to those required by the Supplier‘s material. A captive laboratory does not accept work from an outside source.

- **Independent Laboratory:** a laboratory whose systems are not dependent

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on those of specific material, part or subassembly Supplier (ownership by a material Supplier does not exclude a laboratory from being considered 'independent'). An independent laboratory accepts work from an outside source.

For captive laboratories, Nadcap Materials Testing Laboratories recognizes AS/EN/JISQ9100 certifications by Registrars that are approved and listed in the International Aerospace Quality Group (IAQG) OASIS database, which can be found at www.iaqg.org/oasis. The MTL Task Group also recognizes existing quality systems approvals in the form of ISO/IEC17025 certifications by an International Laboratory Accreditation Cooperation (ILAC) approved source (www.ilac.org) or Audit Criteria AC7006 issued by the MTL Task Group. Where no recognized quality systems approvals exist, Nadcap requires assessment using AC7006 Audit Criteria equivalent to ISO/IEC17025 (Note: AS/EN/ JISQ9100 accredited captive laboratories must meet the requirements of AC7101/1 Appendix A).

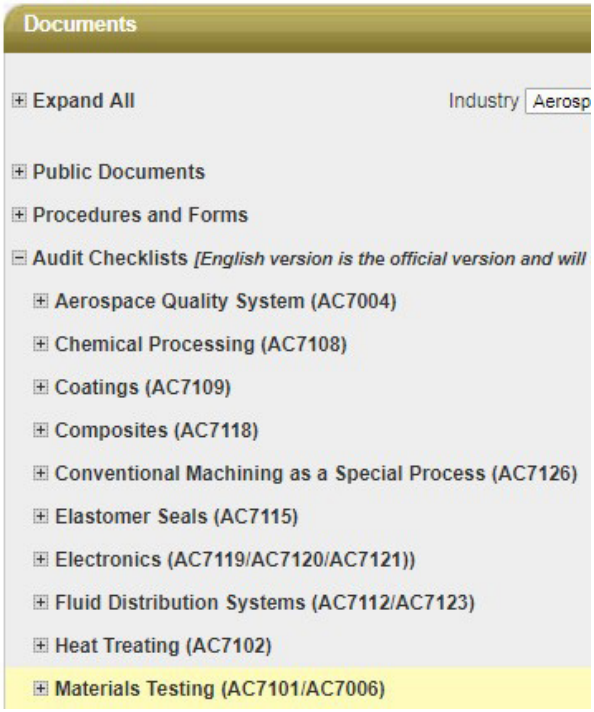
MTL Suppliers performing only specimen machining for mechanical testing (AC7101/7 test code Z, Z3 only) shall have a quality system in accordance with Nadcap PD1100 (e.g. AC7004, AC7006, AS/EN/JISQ9100 or ISO/IEC 17025). MTL Audit Criteria, including AC7006, can be found in eAuditNet, under Resources / Documents.

MTL audits shall be conducted as follows:

- Full Audit – 18-month accreditation
- On-Site Surveillance Audit SV1 – 18-month accreditation
- On-Site Surveillance Audit SV2 – 24-month accreditation
- Cycle restarts – Full Audit – 18-month accreditation

Total time between full audits is 5 years.

It is important to note that if a laboratory does not qualify for a surveillance audit, an on-site audit of a



length and scope to be determined by a consensus of the Task Group Subscriber Members and the Staff Engineer must be successfully completed to maintain accreditation.

In addition to the baseline checklists, there are separate checklists for each of the individual processes covered by the MTL Task Group. Process specific requirements have been developed by the MTL Task Group and are:

- AC7101/1 – General Requirements for All Laboratories
- AC7101/2 – Chemical Analysis
- AC7101/3 – Mechanical Testing
- AC7101/4 – Metallography and Microindentation Hardness
- AC7101/5 – Hardness Testing (Macro)
- AC7101/6 – Corrosion
- AC7101/7 – Mechanical Testing Specimen

NADCAP SUPPLIER SURVEY - SSC

In an effort to drive continual improvement, the Nadcap Supplier Support Committee (SSC) recently released the 2017 Nadcap Supplier Survey. Responding to these questions will enable the SSC to represent the Supplier community and promote positive changes to the Nadcap program.

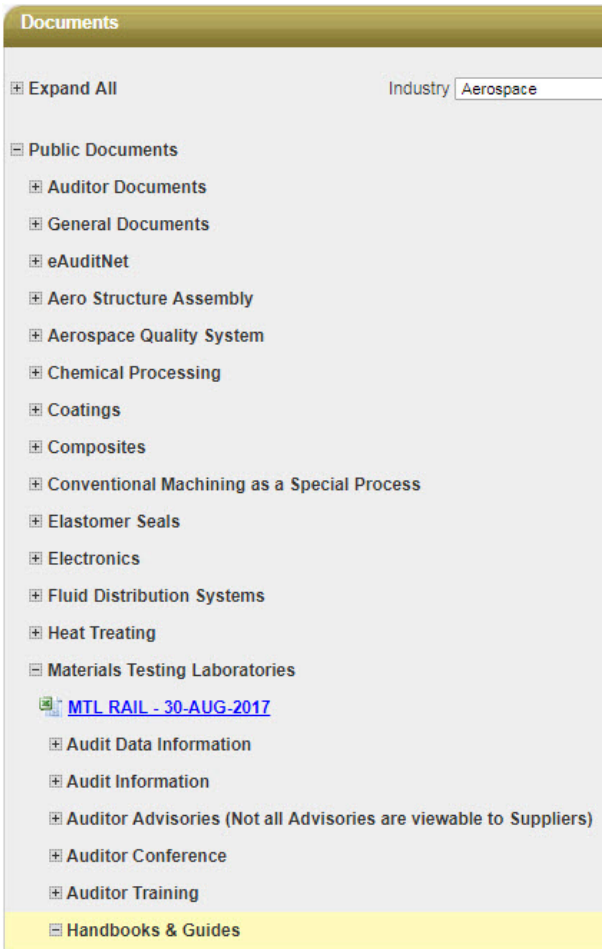
The Survey is available to answer in English, French, Spanish, Chinese and Japanese on the Nadcap webpage: http://p-r-i.org/nadcap/

If you have questions, please contact NadcapSSC@p-r-i.org

Preparation

- AC7101/9 – Specimen Heat Treating
- AC7101/11 – Fastener Testing
- AC7006 – Nadcap Audit Criteria Equivalent to ISO/IEC 17025:2005

Additional information on the checklist requirements, question intent, acceptable objective evidence, and helpful hints are included in the Audit Handbooks and supplemental guidance that are also available in eAuditNet in the Public Documents area as shown below.



Nadcap Materials Testing Laboratories Audit Insights

The following checklist questions are the most common that NCRs are written against. The MTL Audit Handbook and the corresponding Handbook Supplements for each checklist provide many details to ensure a successful audit experience. Both documents should be used as companions to the Audit Criteria.

The most common NCR written during the MTL Nadcap audit is for the detail of Auditee's procedures. It is the expectation of the MTL Task Group that all Audit Criteria are addressed procedurally. The most common findings are associated with Audit Criteria which start 'Procedures are used [...].' and the Auditee's procedure does not address the Audit Criteria.

The phrase 'Procedures are used [...]' was adopted into the checklist to ensure that laboratories actually use procedures. Nevertheless, it does NOT mean that the exact words of the Audit Criteria must be in the procedure. Indeed, the procedure wording must fulfill the intent of the Audit Criteria. The level of detail to assure compliance to checklist requirements should be enough for the consistency of the procedure, training of a new trainee with background/experience typical for the laboratory, and continuity of the laboratory's process.

The MTL Audit Handbook helps the Auditee and the Auditors to prepare for the audit. Supplemental guidance has also been developed for each checklist. As questions are posed to the Technical Advisory Groups (TAG) or the Task Group in general, the guidance agreed upon is included in the supplements.

Top Non-Conformance in Materials Testing Laboratories Audits

In common with many other Nadcap Task Groups, the MTL Task Group analyzes and publishes common non-conformances (NCRs)

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NADCAP MTL AUDIT INSIGHT

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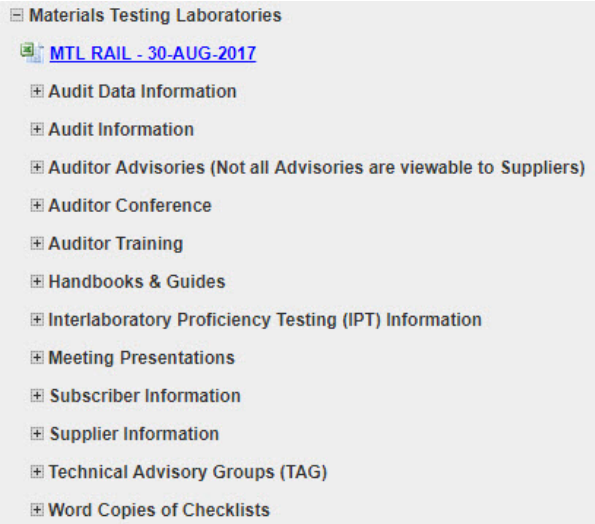
identified during Nadcap audits on a regular basis. The intent is to help Suppliers avoid some common pitfalls and strengthen their internal process control.

To that end, as well as the common non-conformances, the Task Group often also provides guidance and further information about each non-conformance.

A number of additional useful documents are posted in eAuditNet under Resources / Documents / Public Documents / Materials Testing Laboratories on a regular basis as shown below. It is strongly recommended that you review the relevant files to gain insights that will assist in Nadcap audit preparation and success.



AC7101/1 – General Requirements for All Laboratories

The most common NCR written against the AC7101/1 checklist relates to whether a company's procedures are detailed enough or not. The most common causes of NCRs are:

- Procedure detail for reviewing calibration certificates
- Completion of the appropriate summaries (personnel, procedure, Internal Round Robin (IRR)/ Proficiency Test (PT) Programs)
- Documentation and periodic observation of tests for laboratory personnel performing testing to procedures used for Nadcap testing
- Procedurally address Notification to Nadcap in accordance with OP 1107 - Post Accreditation Actions

AC7101/2 – Chemical Analysis

The completion of the 'Chemistry Laboratory matrix' Figure 1 is the part of the AC7101/2 checklist against which the most common NCRs were written. Figure 1 summarizes laboratories' analytical capability, precision and calibration range:

- The data listed in Figure 1 (including range and precision) is generated by the laboratory, using applicable equipment, and is documented
- The use of the instrument manufacturer's data for Figure 1 is prohibited
- Figure 1 must be completed for each element per test code for each alloy family within the laboratory scope of accreditation

The most common reasons of having NCRs written against this part of the checklist were:

- Confusion over the requirements
- Data doesn't match the matrix information (information not updated to reflect changes)
- New equipment added
- New capabilities and/or materials added
- Insufficient reference materials to support the defined range

AC7101/3 – Mechanical Testing

In this checklist, calibration/verification is the area where most NCRs were written. Although there are not many reasons behind these NCRs, the two most common ones were:

- All required calibrations have not been conducted
- Calibration performed does not include the range of

COMING IN 2018

PRI and ANAB have agreed to cooperate to provide a joint audit/assessment that will result in accreditation to both Nadcap and ISO/IEC 17025.

PRI will be the administrator of the joint program.

The MTL Task Group will make the accreditation decision and issue the accreditation for Nadcap. ANAB will make the accreditation decision and issue the accreditation for ISO/IEC 17025. At this time, it will be limited to Suppliers in the United States.

use of the equipment being calibrated

AC7101/4 – Metallography and Microindentation Hardness

The most common NCR written against the AC7101/4 checklist relates to whether a company's procedures are detailed enough or not. The most common causes of such NCRs were:

- Detail of the etching procedure (define process, etch container labeling, solution control)
- Detail of the evaluation procedure (preparation, magnification, areas of interest, etc.)

AC7101/5 – Hardness Testing (Macro)

Indentation spacing is the area of the AC7101/5 checklist against which most of the NCRs were written and the most common reasons behind this were:

- Procedure does not address the indentation spacing requirements
- Procedure does not address the marking of indentation which have been disregarded for spacing issue
- Indentations which do not meet the spacing requirements have not been identified

AC7101/6 – Corrosion

In the AC7101/6 checklist, the level of detail within a company's procedures addressing corrosion is the area against which most NCRs were written. This is mostly due to the fact that companies' procedures do not include the necessary detail to perform the test in relation to the test method standard and the laboratory equipment being used.

AC7101/7 – Mechanical Testing Specimen Preparation

The top NCR of the AC7101/7 checklist is related to how detailed companies' procedures are. When NCRs were written here, it was mostly due to the fact that procedures do not include the necessary detail as required by the Audit Criteria.

AC7101/9 – Specimen Heat Treating

In this checklist, the level of detail of companies' procedures is again the area where most NCRs were written against. The top 3 reasons why most NCRs were written here are:

- Procedures do not thoroughly define the process for determining cycle time
- Procedures do not define time tolerances
- Laboratories that do not use load thermocouples

AC7101/11 – Fastener Testing

As with many of the checklists mentioned earlier in this article, most NCRs were written due to the level of detail in company procedures. There are two main reasons behind this:

- Procedures do not contain the detail required to consistently perform the test
- Defining the requirements for IRR and PT Programs

It is strongly recommended that the Auditee reviews the latest list of Top NCRs posted in eAuditNet. This list can be found under Resources / Documents / Public Documents / Materials Testing Laboratories / Audit Data Information as shown on the next page.

Technical Advisory Groups

The MTL Task Group has established Technical Advisory Groups (TAG) for each Audit Criteria (AC checklist). TAG is a group of technical experts gathered to offer expertise on specific subject matters. Each subject matter determined by Audit Criteria slash sheet identification has an associated TAG.

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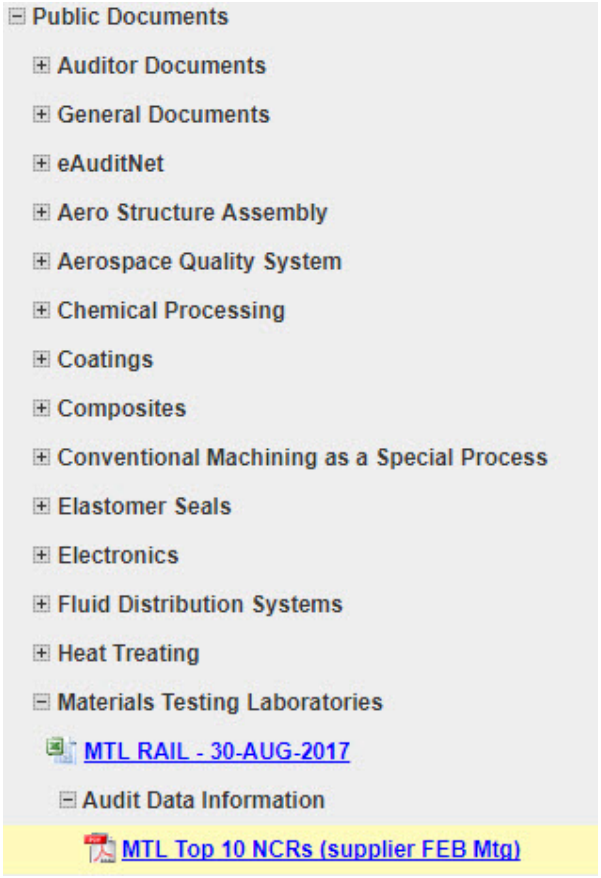

A TAG is also established to support approval of IRR and PT Programs. The process for utilization of the TAG process is outlined in the MTL Audit Handbook.

Topics for TAG support may include:

- Clarification of Audit Criteria before or after an audit. TAGs should not be used to resolve issues between a Supplier and an Auditor during an audit. TAG interpretation shall not be used during non-conformance closure.
- Request for Audit Criteria change
- Request for Handbook change or content addition
- Issues of perceived inconsistent interpretations of Audit Criteria by Auditors
- Conflicting opinions about Audit Criteria interpretations
- Questions about planned objective evidence. An example could be: 'My certification says 'per ASTM E 18'. Is that good enough for AC7101/1 Paragraph X?')

Language

The official language for Nadcap documentation, conducting Nadcap audits, and audit reviews, is English. The reason behind this is that the Nadcap Task Group, which develops the audit checklists and reviews the audit results, is formed of industry experts from different countries, speaking different languages. As the recognized international language of the aerospace industry, working in English makes the Task Group activity much easier.

Documents shall be provided in English, unless an alternative language is agreed upon by the assigned Auditor. If companies wish to have a Nadcap audit conducted in a language other than English, they should contact their assigned Auditor as early as possible to find an agreement. PRI also offers the opportunity to ask for an Auditor with specific language skills when scheduling an audit in eAuditNet (subject to availability). However, all NCR responses, dialog in eAuditNet, and relevant paragraphs of documents submitted as objective evidence of corrective action shall be in English.

Memoranda of Understanding with other Task Groups

The MTL Task Group has Memoranda of Understanding (MoUs) with other Task Groups to share audit checklists. This occurs when there is a degree of overlap between the scope of accreditation available from different Task Groups. Instead of having audits across commodities covering duplicate topics, which would be costly, time consuming and non-value added - exactly what Nadcap was established to avoid! - Task Groups may come to an agreement to accept each other's audit results in lieu of conducting their own.

OP 1105 - AUDIT PROCESS

The current list of Task Group MoUs, including details of each MoU, can be found on eAuditNet under Resources / Documents / Public Documents / General Documents / MOU Matrix. The MTL Task Group has MoUs with the:

- Coating Task Group – AC7109/5: Coatings Evaluations
- Heat Treat Task Group – AC7102/5 & AC7101/5: Hardness Testing
- Heat Treat Task Group – AC7102/8: Heat Treating Pyrometry
- Welding Task Group – AC7110/13: Evaluation of Welds

Overall Best Practice Recommendation

The key point here is to conduct a good and thorough self-audit prior to the Nadcap audit and define all Nadcap MTL Audit Criteria procedurally. It makes the Auditors' job a lot easier when you list where Nadcap questions are covered in your procedures or specifications. In any case, it is a requirement to show evidence with the upcoming release of AC7101/1. Hopefully, this article reaches many of the Suppliers thinking about getting accredited or about to go through a reaccreditation audit for MTL, and helps them avoid the most common non-conformances.

For more information, please do not hesitate to contact Kevin Wetzel.

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Every step of a Nadcap audit is governed by a specific Nadcap Operating Procedure (OP). The audit process is no exception and is governed by 'OP 1105 - Audit Process', which can be found in eAuditNet, under Resources / Procedures and Forms / Operating Procedures.

OP 1105 applies to all audits – with the exception of the pre-assessment audits – and includes audit preparation, on-site audit, and the issuance of non-conformances and observations.

As a first step for the Auditee, OP 1105 requires a self-audit, using the applicable Audit Criteria (AC) associated with the audit scope for initial, add scope, and reaccreditation audits. This information can be found in eAuditNet under Resources / Documents. The self-audit shall document where the evidence of compliance may be found, for each requirement as applicable, and be uploaded to eAuditNet at least 30 days prior to the audit scheduled start date per OP 1105. It is crucial to remember that if the Auditee does not provide the self-audit to the Auditor as required, the Auditor shall issue a non-conformance.

Documents shall be provided in English, the Nadcap official language, unless an alternative language is agreed upon by the assigned Auditor. The main reason behind this requirement is that the Nadcap Task Groups are made up of members from all around the world, who speak different languages, which makes the use of the English language easiest for everyone.

Restricted technical data shall not be recorded or attached within the submitted documents. This is particularly important as, if potentially restricted technical data is identified prior to, or during an audit, where the audit has been classified by the Auditee as non-ITAR/EAR in eAuditNet, it is possible that the audit may not be able to proceed as scheduled.

Nadcap Auditors are trained to conduct

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OP 1105 - AUDIT PROCESS

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an opening meeting at the start of the audit. It gives both the Auditor and Auditee time to discuss the content and plan for the audit. The audit officially commences at the conclusion of this opening meeting. It is important to note that the Auditee may terminate the audit at any time after this opening meeting.

Once the audit has officially started, the Auditor shall conduct the audit in accordance with the guidelines provided in the General Auditor Handbook, which can be found on eAuditNet, under Resources / Documents / Public Documents and then the selected commodity. Another key point for every Nadcap audit is the audit scope. No scope for which the Auditee has capability and was originally agreed to at the start of the audit can be deleted without approval of the applicable Staff Engineer.

During the audit, the Auditor shall document non-conformances in eAuditNet. All non-conformances shall be documented in accordance with the General Auditor Handbook and this procedure (OP 1105) and shall only be identified against a recorded 'NO' answer to the relevant checklist paragraph(s). In addition, there are three reasons which automatically classify a non-conformance as major:

- Supplier to evaluate impact on hardware
- Nonsustaining corrective action
- Systemic

Any instances of nonsustaining corrective action or recurring non-conformance shall have the item 'nonsustaining corrective action' checked by the Auditor. The Auditor will document in the non-conformance text that this is a repeat finding, and reference the previous audit number and non-conformance number. As a result, an additional non-conformance will be written for failure of the corrective action system to assure the effectiveness of the actions previously taken.

Unlike major non-conformances, the resolution of minor non-conformances may be accepted on-site by the Auditor. When the Auditor is able and agrees to do so, he/she will describe the action taken by the Auditee. It will still be recorded in eAuditNet for completeness. It is important to remember that during the audit, the Auditor will verify the effectiveness of corrective actions taken from both major and minor non-conformances from the preceding audit, whether accredited or failed.

The Auditor will end the audit at a closing meeting, during which he/she will provide the Auditee with a draft document, hard-copy or digital, detailing all non-conformances and observations. This meeting is the best time for the Auditee to review and discuss all non-conformances and observations with the Auditor to ensure complete understanding. This is particularly useful if there is any difference of opinion or confusion about any part of the audit report. If needed, the Auditee and the Auditor can phone the Staff Engineer during this meeting to get clarification. The Auditor will then post the audit report to eAuditNet within three working days of the last day of the audit, or series of conjoined audits.

For more information, please contact your Staff Engineer or Dave Marcyjanik.

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NADCAP CHECKLIST AC7004

As of October 6, 2017, access to the AC7004 checklist on eAuditNet has been restricted to eAuditNet users registered at companies with an AC7004 audit with initiated or scheduled status, or currently in-progress or accredited. An email notification was issued at the time with more detail.

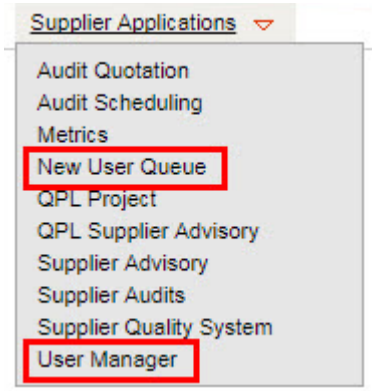
If you have questions, please contact pri@p-r-i.org

THE ROLE OF THE COMPANY ADMINISTRATOR IN EAUDITNET

All companies registered in eAuditNet have what is called a 'Company Administrator' profile, which is a key element for the company's data security management. This article explains the different functionalities of the Company Administrator profile and why it is so important.

The main role of the Company Administrator is to manage who has access to the company's data in eAuditNet as well as every profile's activity. The Company Administrator can only review user activity for users associated with their company.

When a user registers for eAuditNet access and selects a company, they are put into the New User Queue in eAuditNet for the Company Administrator to accept them and grant access, or reject them. The Company Administrator then assigns access rights to that individual in the User Manager application. If you are a Company Administrator, once logged into eAuditNet, this tool is under Supplier or Subscriber Applications, depending on your status and then User Manager, as shown.



As it is important to regularly review who can access company data, PRI sends a reminder email to all Company Administrator profiles periodically if they have not accessed the User Manager application. Suppliers will receive this email biannually while Subscribers will receive it if they have not accessed the User Manager application within 60 days. In order to ensure a secure system, eAuditNet will ask the Company Administrator to review the list of active users and make updates as appropriate. Once in the User Manager application, there is a screen as shown on the next page. The easiest way to find out who has access to the company data is by clicking the 'Search' button without entering any search criteria. This way, eAuditNet will display all users associated with the company.

The search results will be displayed as shown at the bottom of the next page. The entire list of users with access to the company data is provided. Developed as a smart tool to help organizations maintain a secure system, the User Manager results:

- Display check marks to indicate which application can be accessed by which user Ⓐ
- Can be sorted out by columns by clicking on the column headers Ⓑ
- Offer the possibility to view a snap shot of any user's activity by clicking on the number in the 'Page Views' column Ⓒ

All users' activity log and application access are downloadable to Excel by clicking on the Microsoft Excel icon Ⓓ. 'Include User Activity' and 'Include Application' checks are checked by default for every User Manager report, meaning that one and/or the other can be unchecked by clicking the 'Option +' button if not required in the report Ⓔ. In addition, the individual profile is shown by clicking on a user's name, including:

- Application access link to make any changes to the user's profile
- Edit to make additional changes such as editing information in a user's profile, adding another company association, editing application access (tick a checkbox to add an application process to the specific user's name you are editing) or removing a user from the company by clicking 'De-activate User'

Please feel free to contact PRI staff at eAuditNetSupport@p-r-i.org with any questions about the User Manager application in eAuditNet and/or suggestions on how to improve this tool.

THE ROLE OF THE COMPANY ADMINISTRATOR IN EAUDITNET

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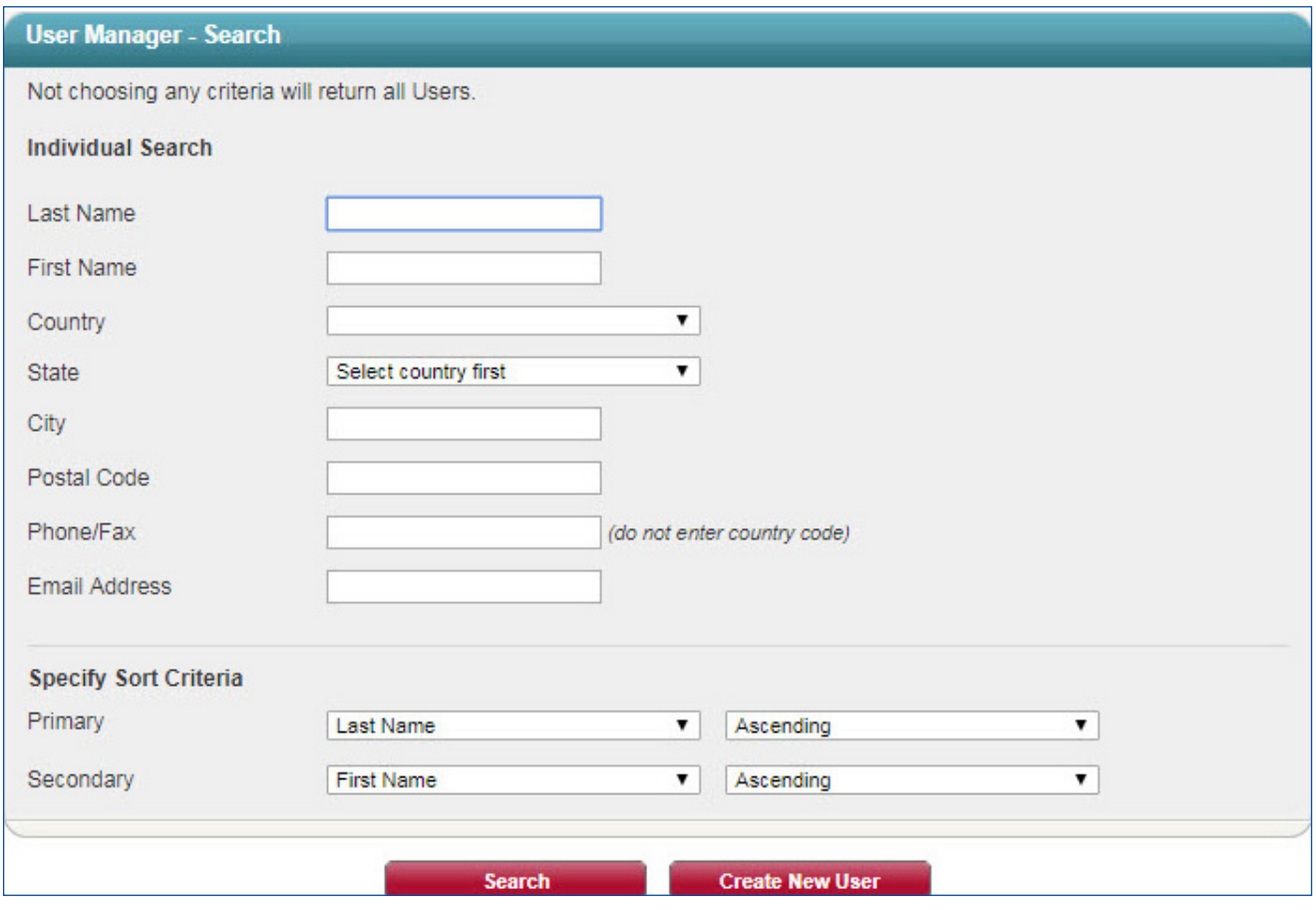
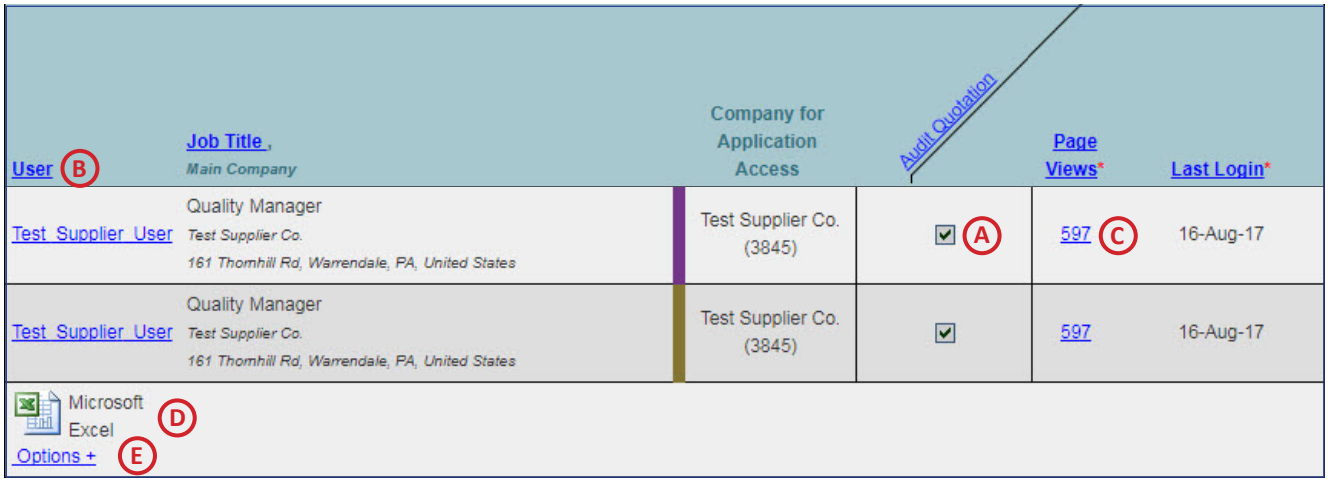




THE NADCAP AUDITEE COMMUNICATIONS KIT

'Going through a Nadcap audit requires diligence, time and thorough preparation'. This is the most common feedback PRI gets about Nadcap audits. This is especially true for a company's first Nadcap audit or for a reaccreditation audit after a 24-month merit.

Both eAuditNet (www.eAuditNet.com) and the PRI website (www.p-r-i.org) are full of resources to help companies preparing for a Nadcap audit. There is such a great amount of information available on these two websites that it may sometimes seem difficult to find what you are looking for or even to know where to look.

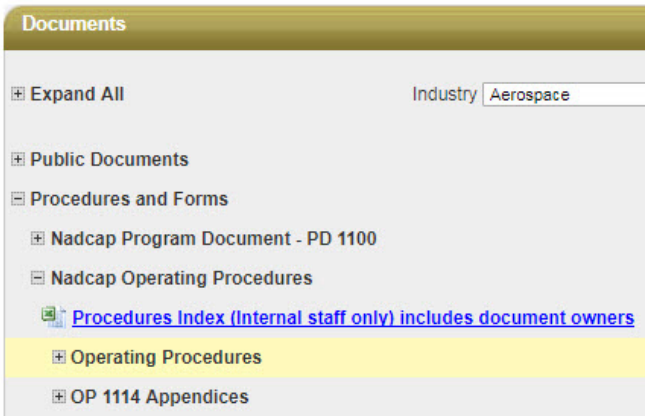
The Nadcap Supplier Support Committee (SSC) created an Auditee Communications Kit to help companies find the most relevant and useful information needed to prepare for a Nadcap audit. The Auditee Communication Kit is sent to anyone who schedules a Nadcap audit. It can also be found on eAuditNet under Resources / Documents / Public Documents / General Documents.

It is recommended that preparing for a Nadcap audit takes at least 3 - 6 months, depending on whether it is a first audit or a reaccreditation audit, on how much resource is available, and other factors. Creating a thorough and realistic timeline of all the required tasks and actions needed to have a successful audit is crucial. The Nadcap SSC put together a timeline chart to help companies in their preparation. It can be found in eAuditNet under Resources / Documents / Public Documents / Supplier Support Committee / SSC Documents. This timeline also helps companies to meet one of the OP 1105 - Audit Process requirements which says that all Auditees shall have their self-audit uploaded to eAuditNet at least 30 days prior to the scheduled start date, including all required job audits.

The Auditee Communications Kit walks the Auditee through some important steps towards achieving a successful Nadcap audit. This includes going through some Nadcap key procedures which are:

- OP 1105 – Audit Process
- OP 1107 – Post Accreditation Actions
- OP 1110 – Audit Failure
- OP 1111 – Supplier Merit Program
- OP 1114 – Task Group Operation (your specific Task Group's Appendix may contain additional audit requirements)

All the above Operating Procedures and Appendices can be found in eAuditNet, under Resources / Documents / Procedures and Forms / Operating Procedures and OP 1114 Appendices as shown below. There is also a section called 'Audit Checklists' where official copies of all Nadcap Audit Criteria (checklists) can be found. Since the checklists are revised periodically, make sure to use the latest revision of the checklist(s) to which you will be audited.



In addition to the Nadcap Operating Procedures, Appendices and Audit Criteria, the Auditee Communications Kit stresses that eAuditNet provides information specific to any Task Group/Commodity, which PRI recommends Auditees review in preparation for a Nadcap audit. Once logged in to eAuditNet and under Resources / Documents, there are the following documents available, depending on the Special Process/Commodity:

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NADCAP AUDITEE COMMUNICATIONS KIT

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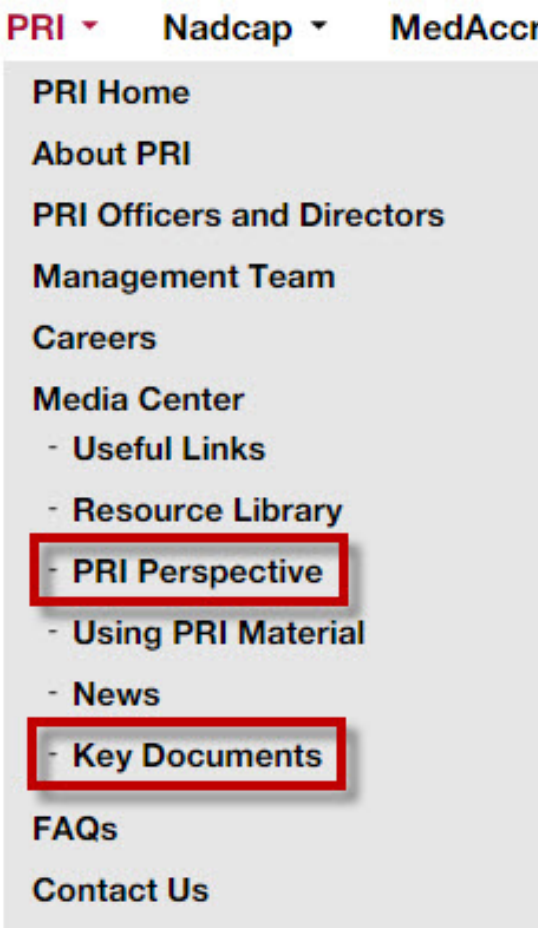
- Word documents of the checklists, which are useful for performing a self-audit as they are editable so responses, and procedure and document references, can be typed in directly and uploaded into eAuditNet. Alternatively, they can be printed and completed on paper, then scanned and uploaded into eAuditNet
- Audit Handbooks, which may contain additional audit requirements for your Task Group
- Top non-conformances, which give advice to companies preparing for a Nadcap audit and point out some of the key areas to pay attention to
- Symposia, which provide companies preparing for a Nadcap audit with a useful overview of some of the important requirements and recent revisions
- Newsletters, helpful to gain recent technical knowledge about the commodity and the audit process as well as recent updates about the Task Group

The PRI website, www.p-r-i.org, is the other location where a lot of information is available to help companies preparing for a Nadcap audit and/or promoting accreditation or merit status. This can be found in two locations on the PRI website:

- The 'PRI Perspective' section offers various executive briefings such as 'Creating an Effective Internal Auditing Program', 'Internal Auditor Techniques', 'Root Cause Corrective Action' or 'How to Promote Your Nadcap Accreditation'
- The 'Key Documents' section contains the following useful documents: 'What You Need to Know About Nadcap', the 'Supplier Tutorial', the 'Introduction to PRI/Nadcap', the 'Nadcap Accreditation and Merit status press release templates'

The Auditee Communication Kit has been developed in order to help companies preparing for a Nadcap audit find useful information to support their efforts.

For more information or if you have any questions, please contact the Nadcap SSC at NadcapSSC@p-r-i.org



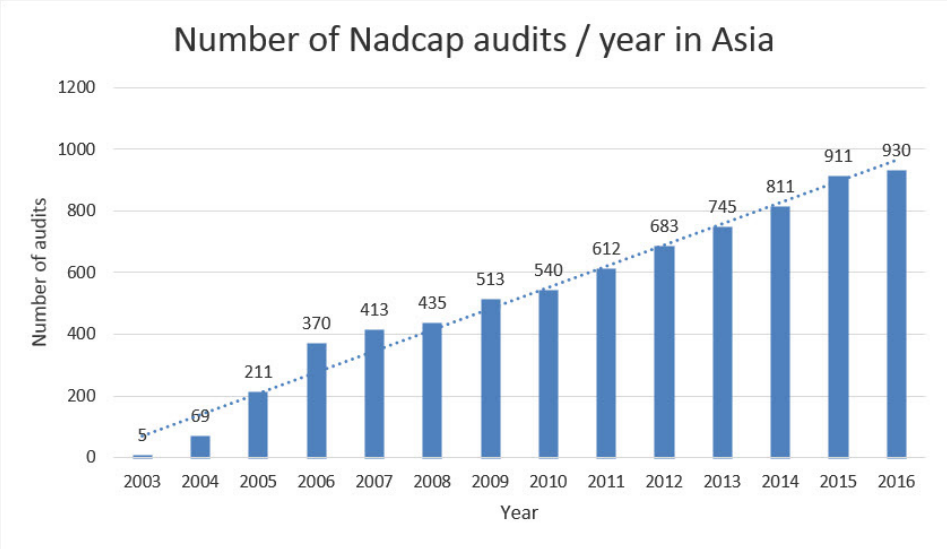
EXPORT CONTROL: HOW TO BE COMPLIANT

At the October 2017 Nadcap meeting in Pittsburgh, the SSC sponsored a session "Export Control: How to be Compliant". Stephen Hall from the US Department of Commerce presented.

For those who could not attend, the presentation is available on eAuditNet at Resources / Documents / Public Documents / Supplier Support Committee (SSC) / SSC Meeting Presentations / October 2017 Pittsburgh. You can also view it on the PRI website at http://p-r-i.org/about-pri/media-center/key-documents/

THE IMPORTANCE OF ASIA

PRI began operating in Asia in 2003 with only 5 Nadcap audits conducted across the entire continent, covering Chemical Processing (CP), Coatings (CT), Heat Treating (HT), Material Testing Laboratories (MTL), and Non-Destructive Testing (NDT). Since then, the number of audits has been growing steadily to reach 930 audits conducted in 2016, representing 17% of the total number of audits conducted last year. As in Europe and the Americas, the commodities which see the greatest number of audits conducted in Asia are Chemical Processing, Heat Treating, and Non-Destructive Testing.



Although Nadcap audits have been conducted in Asia since 2003, the first Asian Subscriber only joined the program a few years ago. Commercial Aircraft Corporation of China, Ltd. (COMAC) became a Subscriber in 2012, followed by Mitsubishi Aircraft Corporation in 2014 and Singapore Technologies Aerospace Ltd. in 2015.

Two of the main goals of the Nadcap program are to encourage a standardized approach to special process activity and a reduction in redundant auditing. Representatives of the Asian Subscribers and Suppliers are becoming more and more active within the Nadcap Management Council (NMC) and the different Nadcap Task Groups (TG), providing a more global perspective to their activities.

Nadcap would, of course, benefit from even greater participation from the Asian organizations. In addition, sitting in the Task Groups would help these companies participate in the writing of the Nadcap checklists, which are used for the Nadcap audits. This way, Asian companies could:

- Gain insights into upcoming and potential checklist and procedure revisions
- Have their voices heard and taken into account for the future documents revisions and updates
- Have the opportunity to help improve the Nadcap standardized approach to special process activity and reinforce the global nature of the program

For more information or if you would like to be more active in the Nadcap program, please contact Liu Le.

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If you would like additional copies of this newsletter, please contact prinadcap@p-r-i.org

This newsletter, and past issues are available on the PRI website at http://p-r-i.org/nadcap/