

1. QUALITY ASSURANCE SYSTEM:

Supplier shall maintain a Quality Assurance System fully compliant with **ISO 9000** or equivalent.

2. QUALITY ASSURANCE SYSTEM:

Supplier shall maintain a Quality Assurance System fully compliant with **AS9100 or equivalent.**

3. FIRST ARTICLES:

First Articles (FAI) shall be accepted by Stelia Aerospace North America (SNA) prior to shipping production quantities. Supplier shall perform a First Article Inspection (FAI) as per the requirements of specification SAE AS9102 at first production run and shall perform a comparable inspection at production change points or for specified articles following inspection tooling changes, design changes, or evident Quality degradation. This includes all details and sub-assemblies, which constitute the end item ordered.

When documenting the FAI, the Supplier may use the forms contained within the SAE AS9102 specification or their equivalent, so long as the forms contain all the information required by SAE AS9102 and all options from the form are used, including revision levels.

Delta FAI will be performed on the part for any change, as stated in AS9102 section 5.3 since the last FAI.

TOOL PROVING of parts or castings and injection moulded parts, produced for tool and mould proving shall be accepted by Stelia Aerospace North America (SNA) prior to production quantities being provided/shipped

Each sample submitted shall be accompanied by an inspection report showing the actual dimensions or criteria observed. Material certifications and/or certified test results to establish conformity to all specification requirements shall be submitted with the sample(s), including NDE reports, if applicable.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

4. SOURCE SURVEILLANCE (right of entry):

All items covered by this Purchase Order are subject to source surveillance by a SNA Quality Representative. This will include surveillance of the products and Supplier systems, procedures, and facilities. The Supplier shall furnish, at no cost, necessary facilities and equipment, supply data, and perform tests as required by applicable drawings, specifications, and Inspection Instructions under surveillance of the SNA Quality Representative. Notwithstanding the provisions of this clause, all items shall be subject to inspection and acceptance by SNA and/or Government/Regulatory Agency representative at SNA. SNA's customer has the right to enter the facilities when accompanied by SNA representative or prior permission granted to the customer by SNA to visit the specific supplier.

SNA Quality Assurance representative may elect to conduct inspection either on a random basis or to the extent of 100% inspection. Supplier shall be notified if SNA inspection is to be conducted on specific shipments. No shipments are to be held for SNA inspection unless notification is received prior to, or at time of, material being ready for shipment.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

5. QUALITY CONTROL SYSTEM:

The parts shall be inspected to the requirements of the drawing(s), specification(s), and other documentations referenced on SNA Purchase Order. The inspection reports shall be approved by personnel responsible for the quality control. Documentation to substantiate compliance to the above requirements shall be provided.

Supplier shall maintain quality controls that ensure all goods and services conform to Contract requirements whether manufactured or processed by Supplier or procured from Supplier's subcontractors or vendors. The Supplier is responsible for performing or assuring all inspections, tests and calibration necessary to substantiate that the goods or services furnished conform to Contract requirements. Records of conformance shall be maintained on file at the Supplier's facility and made available or provided for review by SNA upon request. Supplier's facilities and quality controls are subject to SNA review. Supplier shall take prompt action to correct conditions that have or could result in goods or services that do not conform to contractual requirements.

If the product specification has a Qualified Products List (QPL), or Qualified Manufacturers List (QML) then the manufacturer of that product must be listed on the QPL/QML. It is the responsibility of the supplier that they are compliant to all the approved processes as stipulated on the SNA PO and its associated technical documents and these requirements will be flowed down to their sub-tier supplier(s).

If Supplier is a Distributor or other than the True Manufacturer (OEM), then the true manufacturer's name and location (city and province/state) shall be identified within Supplier's shipping documentation.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

6. GOVERNMENT QUALITY ASSURANCE:

Government Quality Assurance is a requirement of this Purchase Order. Arrangements must be made promptly with the Quality Assurance Representative for your area or facility, so that appropriate Government Quality Assurance can be accomplished prior to release authorization.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

7. DOCUMENTATION:

Quality Assurance records (manufacturing and inspection/test results) shall be maintained on file at Supplier's facility and available to SNA and SNA's customers. Supplier shall retain such records for a period of not less than 10 years from the date of final payment under the applicable order for all goods and services unless otherwise specified in this contract. The documentation will not be destroyed without prior permission granted by SNA.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

8. CERTIFICATE OF CONFORMANCE AND COUNTERFEIT PARTS & COMPONENTS:

A) CERTIFICATE OF CONFORMANCE

Shipment of each deliverable end item shall be accompanied by a Certificate of Conformance. The Certificate of Conformance shall:

- a) Attest that material/item conform to drawing(s)/specification(s)/Purchase Order requirements
- b) Reference SNA Purchase Order number
- c) Provide traceability to lot/batch number
- d) Be signed by supplier's QA/QC representative
- e) Supplier will state on the CoC that these are not counterfeit parts

Note: The supplier of this certificate shall not contract any work to another supplier without prior written consent from SNA.

B) COUNTERFEIT PARTS & COMPONENTS

The supplier will have a counterfeit detection process that meets the intent of SAE standard AS5553 for Electronic and

Non-electronic parts, Avoidance, Detection, Mitigation and Disposition. The supplier will ensure that the parts that are being supplied to SNA is not an illegal or unauthorized copy or substitute of an OEM item; an item that does not contain the proper external and internal materials or components required by Original Equipment Manufacturer (OEM) or that is not constructed in accordance with the OEM specification. It includes an item or component that has been previously used, refurbished or reclaimed but the Supplier represents as being new item that has successfully passed all OEM testing, verification, screening and quality control but the Supplier claims that it has met or passed all such requirements. The Supplier shall not label or mark the part or the component for the intention to mislead a reasonable person into believing a non-OEM item is genuine OEM item.

If the suspect/counterfeit parts or components are furnished under this contract and are found in any of the goods delivered hereunder, such items will be impounded by SNA. The Supplier shall promptly replace such suspect/counterfeit parts with parts acceptable to SNA and the Supplier shall be liable for all costs relating to the removal and replacement of the said parts as specified in the subcontract requirements or Distributor's insurance policies. All occurrences of Suspect Counterfeit and/ or Counterfeit parts will be immediately reported to SNA. SNA reserves all contractual rights and remedies to address grievances and detrimental impacts caused by suspect/counterfeit parts.

If these clauses are incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

9. TEST CERTIFICATES:

Test reports for raw materials, special tests and analyses, shall be forwarded to SNA with each shipment. In the event that the supplier certification is disapproved by SNA, the supplier may conduct additional tests or inspections to prove material is acceptable, and provide the data at no additional cost to SNA for SNA's approval.

The report shall include the principal specifications, including revision numbers or letters, which govern the production of the item. Where quantitative limits are established by the specification, the report shall indicate the actual values obtained during testing. Test reports shall include the control identity (e.g. lot, heat lot, serial number) of the material or item tested. If Supplier is not the manufacturer, Supplier shall furnish the manufacturer's test report as described above.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

10. QUALITY ASSURANCE AUDIT:

Supplier's Quality System and manufacturing processes are subject to periodic audits by SNA Quality Assurance Department.

11. SPECIAL PROCESSES:

Special processes such as welding, soldering, brazing, radiography, liquid penetrant, magnaflux, ultrasonics, surface treatments, etc., and the processors shall be subject to approval by SNA Quality Assurance Department. Applicable films or test certificates and personnel qualification records shall be furnished with the shipment of deliverable end item(s).

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

12. NON QUALITY ISSUES:

If SNA discovers discrepancies in the purchased materials from this purchase order; SNA shall forward to the supplier a "Corrective Action Request". The supplier shall respond in a timely manner determined acceptable by SNA's Quality organization. The response shall identify the root cause as well as the action taken to prevent recurrence and the effective point of the corrective action by reference to part number, serial number, or date where appropriate. Failure to promptly implement corrective action shall be cause for rejection of all subsequent shipments and removal from SNA Approved Suppliers List. All rejected articles resubmitted by Supplier to SNA shall bear adequate identification, including reference to SNA's rejection document.

All costs and expenses, loss of value and any other damages incurred as a result of or in connection with non-conformance and repair, replacement or other correction may be recovered from Supplier by an equitable price reduction, set-off of credit against any amounts that may be owed to Supplier under the applicable Order or otherwise.

13. SNA QUALITY ASSURANCE APPROVAL:

SNA Quality Assurance approval is required prior to shipment from your plant. Please notify SNA two (2) weeks in advance when material will be ready for:

- a) First Article Inspection
- b) Final Inspection prior to shipment

14. SHELF LIFE:

Identify those items and/or assemblies which have a shelf life. Should a shelf life be applicable, the manufacture date and the expiry date are to be clearly marked on the item or package containing same. Perishable Material. Material is not to be shipped to SNA with less than 80% shelf life outlined in the specification unless otherwise stated on SNA Purchase Order. Supplier will include on all unit containers the appropriate age-control date of the material, i.e. date of manufacture, date of shipment, or as otherwise defined in the applicable specification. When required by the specification, Supplier is also responsible for supplying material that is in compliance with any remaining storage-life requirements. When the size of the item or the applicable specification does not permit marking of individual items, Supplier will label each package or box furnished.

Elastomeric Parts. All elastomeric parts will be identified on the part itself or on interior and exterior packaging with a cure date in compliance with the specification.

A temperature recorder must accompany all temperature freezer sensitive material. Minimum 1 per shipment (1 per pallet) lot, unless otherwise stated on purchase order. All temperature recorders must have proof of Calibration and the expiry date.

15. STATISTICAL PROCESS CONTROL:

Statistical process control shall be implemented by the supplier. A Process Control Plan shall be submitted to SNA Quality Assurance for approval.

16. DATA PACKAGE:

Supply catalogue, specifications, drawings, or any other information needed to identify, inspect, install, and maintain the subject material/item.

17. WORKMANSHIP:

All details of workmanship on production parts, castings, injection moulded parts, etc. shall be of the highest grade consistent with the intention of the drawings and specifications, in addition to compliance to the physical and performance requirements. Deliverables shall have no evidence of cracks, dents, scratches, burrs, sharp edges, loose parts, foreign material or any evidence of poor workmanship that will render the deliverables unsuitable for the purpose intended.

18. INTERCHANGEABILITY:

The supplier shall maintain a change control system to ensure configuration control for the twenty (20) year period following contract completion. The supplier's change control plan shall be submitted with the supplier's proposal. The supplier shall not make any changes to SNA proprietary product or process without prior written approval from SNA. All changes must be reflected in appropriate documentation, manuals, spares, and repaired parts.

19. CONFIGURATION CONTROL:

Supplier shall maintain an effective configuration control system which assures that the products being produced are in full

conformity to the approved drawings, material specifications and auxiliary documents. Requests for waivers, deviations or design changes must be submitted to SNA Quality Assurance for approval. Supplier shall submit a Configuration Management Plan with the proposal. SNA reserve the right to conduct Physical Configuration Audit (PCA) and Functional Configuration Audit (FCA). SNA encourages any design change suggestions where SNA's design has been provided, with respect to safety, reliability, quality, manufacturing cost, performance or any other aspect of product improvement.

20. IDENTIFICATION & PACKAGING:

Material supplied to SNA shall be identified with part/serial, lot, or batch number which has been produced in a homogenous process. Special preservation, packaging, identification, and shipment shall be in accordance with drawing, specification, or Purchase Order. The identification of the end item must provide traceability to the process, material, and components.

Raw Material. Supplier will mark each individual item and applicable documentation (i.e. test report, shipping report, or certification) to show clear traceability to lot, heat lot, or batch number. Unless otherwise directed by this contract or the specification, when the size of the item does not permit marking of individual items, Supplier will label each package or box furnished.

Manufactured Goods. Supplier will mark each item and applicable documentation (i.e. test reports, shipping reports, or certifications) to show clear traceability to the manufacturing lot or batch number. Unless otherwise directed by this contract or the specification, when the size of the item does not permit marking of individual items, Supplier will label each package or box furnished.

21. PROPRIETARY DATA AND DOCUMENTATION:

All proprietary data and documentation provided by SNA shall be held under strict control, and shall not be provided to the third party without written authorization from SNA. If requested by SNA, all such information shall be returned to SNA upon completion of the Purchase Order requirements.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

22. QUALITY PLAN

Supplier shall develop and submit a Quality Plan prior to delivery of any parts to SNA. The Quality Plan shall be developed in accordance with SNA standard Operating Procedure SOP-090. SNA Quality must approve the Suppliers Quality Plan. The acceptance of the Quality Plan by SNA Quality does not relieve the Supplier / Subcontractor of the responsibilities defined in the contract or purchase order.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

23. MANUFACTURING PLAN

Supplier shall develop and submit a Manufacturing Plan prior to manufacturing any parts for SNA. The manufacturing plan shall consist of all operations used in the manufacture of the part, including all subcontracted process, equipment used and special process. The acceptance of the Manufacturing Plan by SNA Quality does not relieve the Supplier / Subcontractor of the responsibilities defined in the contract or purchase order.

24. SOURCE INSPECTION BY SNA PRIOR TO SHIPMENT

All items covered by this Purchase Order are subject to inspection at the Supplier's facility by a SNA Quality Representative prior to shipment. The Supplier shall furnish, at no cost, acceptable facilities, and equipment to the SNA representative for the inspection. The Supplier shall provide no less than seventy two (72) hours advance notice to the SNA Quality Representative to permit scheduling of source inspection. Evidence of source inspection shall accompany each shipment. Notwithstanding the provisions of this clause, all items may be subject to inspection and acceptance by SNA and/or Government/Regulatory Agency representative at SNA. SNA, by giving twenty-four (24) hours notice, shall be

granted access to Suppliers' facility in order to accomplish Source Inspection and to inspect Tooling, Material, Certification Documents, and scheduling information.

25. FOD PREVENTION PROGRAM (FOD)

Supplier shall have a documented process for Foreign Object Debris/ Damage prevention, detection and removal.

Supplier shall maintain a FOD prevention program in accordance with National Aerospace Standard NAS-412, Foreign Object Damage/ Foreign Object Debris (FOD) prevention or request approval from SNA to use an equivalent FOD program.

If this clause is incorporated in the PO, the supplier is required to flow down this requirement to their suppliers.

26. CONFLICT MINERALS OR DERIVATIVE METALS

Supplier should have a policy and procedure in place to prevent incorporation of the conflict materials or derivative metals in the parts and sub-assemblies supplied to SNA. It is also the responsibility of the supplier to flow down to their sub-tier suppliers. Some of the listed conflict minerals are tantalum, tin, tungsten, gold and derivative materials.

27. CUSTOMIZED DETAILED INSPECTION CHECKLIST

Supplier and SNA will agree upon a detailed inspection checklist. SNA will review the detailed inspection checklist and approve it. Once approved by SNA and agreed upon by the supplier, the Inspection Checklist will be supplied with the purchased material/parts to SNA.

28. CONTROL OF WORK TRANSFER

Suppliers shall advise SNA 6 months in advance before any transfer of operations (e.g. from organization facility to another, from the organization to a supplier) and allow sufficient time for SNA review and approval. The supplier will present a detailed transfer plan to the Contract Authority addressing as a minimum:

- Description of the new location, with general layout and pictures or floor plan;
- A list of parts involved in the transfer;
- Timeline and plan for each step in the transfer including;
- Productions stop date at the original site;
- Equipment movement
- New location set-up;
- Re-calibration, re-qualification of equipment and tooling;
- Work force training and certification;
- Last Article Inspection (old location) plan;
- First Article Inspection Report (FAIR) plan (in new location);
- Risk Assessment and mitigation plan;

This activity will be at the supplier's cost and sufficient necessary stock will be produced to cover the transition period and to avoid any potential impact to SNA.