
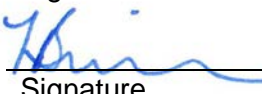



SNA Quality Clauses Manual

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<u>Ashley Harding</u> Initiator	 Signature	<u>SCQA Leader</u> Title	<u>13-Feb-20</u> Date
<u>Tanya Bollivar</u> Reviewer	 Signature	<u>Quality Coordinator</u> Title	<u>13-Feb-20</u> Date
<u>Jose Stevaux</u> Manager	 Signature	<u>Quality Director</u> Title	<u>13-Feb-20</u> Date

REVISION LOG

REV	CHANGE DESCRIPTION	DATE
NR	Original Release, Incorporation of Documents from Other Formats into Standard Template	12-Apr-18
A	Update to Clauses 5; 8 Items A, J, and L; 10; and 11. Numbering of Clauses 35, 36, 37 corrected.	28-Feb-19
B	Update to FAI Clauses (3, 29)	19-Jun-19
C	Update to Clause 12	18-Aug-19
D	Change to Commodity based Clause System. Clause 5 made obsolete. Clauses 1, 2, and 12 revised. Removed 8L. Added new clause to section 3 for Calibration.	28-Nov-19
E	Update flow down requirements to indicate to bottom of supply chain (Clauses 3, 4, 7, 8, 9, 11, 21, 25, 26, 33, 36, 37, 6, 22). Revise wording around SCAR responsiveness in Clause 12.	13-Feb-20

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1. COMMODITIES

Stelia North America's Quality Clauses have been assigned based on the following commodity codes:

Commodity Code:	A	B	C	D	E	F	G	H	J	K	L	M	N	P	Q	R	S	T
Clause # ↓	Adhesives - Film, Foam	Adhesives - Paste	Casting, Forging and Extrusion	CFM - Customer Furnished Material	Composite fabrication	Core	Dry Fiber	Hardware	Manufactured Subcontract	Metal Details - Machined	Metal Details - Sheet Metal	Non-incorporated	Paints, Fillers and Sealants	Plastic	Pre-impregnated Materials	Raw Material Misc. Incorporated	Seals and Gaskets	Tooling
1	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3				X	X				X	X	X							
4	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
7	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
8	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
9	X	X	X	X		X	X					X	X	X	X	X		
10	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
11	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
12	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
14	X	X				X	X						X	X	X			
16	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
17	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
19	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X
20	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
21	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
25	X	X			X	X	X		X	X	X		X		X	X		
26			X					X	X	X	X	X				X		
28	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
30		X				X	X						X	X	X	X		
31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
32	X	X				X	X						X	X	X			
33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
34	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
35	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
36	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
37	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

* Clause 1 may be invoked in lieu of Clause 2 at Stelia discretion
 Additional Supporting Clauses and part specific clauses may be identified as well.

2. STANDARD QUALITY CLAUSES

1. QUALITY MANAGEMENT SYSTEM:

SUPPLIER SHALL MAINTAIN A QUALITY MANAGEMENT SYSTEM FULLY COMPLIANT WITH ISO 9000 OR EQUIVALENT. SUPPLIER SHALL NOTIFY STELIA NORTH AMERICA OF ANY CHANGES TO THEIR QUALITY MANAGEMENT SYSTEM CERTIFICATION STATUS.

2. QUALITY MANAGEMENT SYSTEM:

SUPPLIER SHALL MAINTAIN A QUALITY MANAGEMENT SYSTEM FULLY COMPLIANT WITH AS9100 OR EQUIVALENT. SUPPLIER SHALL NOTIFY STELIA NORTH AMERICA OF ANY CHANGES TO THEIR QUALITY MANAGEMENT SYSTEM CERTIFICATION STATUS.

3. FIRST ARTICLES:

SUPPLIER SHALL PERFORM FIRST ARTICLE INSPECTIONS (FAI) IN ACCORDANCE WITH AS/EN/SJAC 9102 AND SCQA-QCI-004 (AVAILABLE FROM THE SNA WEBSITE). SUPPLIER IS TO CLEARLY IDENTIFY FAI PARTS ON PACKAGING AND ALL PAPERWORK.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

4. RIGHT OF ENTRY

REPRESENTATIVES OF STELIA NORTH AMERICA MAY INSPECT AND EVALUATE SUPPLIER'S FACILITIES' SYSTEMS, DATA, EQUIPMENT, PERSONNEL AND ALL COMPLETED ARTICLES MANUFACTURED FOR STELIA NORTH AMERICA. THE SUPPLIER SHALL FURNISH, AT NO COST TO STELIA NORTH AMERICA, THE NECESSARY FACILITIES AND EQUIPMENT, SUPPLY DATA, AND PERFORM TESTS AS REQUIRED BY APPLICABLE DRAWINGS, SPECIFICATIONS, AND INSPECTION INSTRUCTIONS REQUIRED. RIGHT OF ENTRY/ACCESS INCLUDES MEETING THE REQUIREMENTS OF GOVERNMENT/REGULATORY AGENCIES TO PERFORM OVERSIGHT OF THE FACILITY. IN ADDITION, RIGHT OF ENTRY/ACCESS INCLUDES CUSTOMERS OF STELIA NORTH AMERICA WHEN ACCOMPANIED BY A STELIA NORTH AMERICA REPRESENTATIVE OR WHEN PRIOR PERMISSION HAS BEEN GRANTED TO THE CUSTOMER BY STELIA NORTH AMERICA TO VISIT THE SPECIFIC SUPPLIER.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

7. DOCUMENTATION:

SUPPLIER SHALL MAINTAIN, AND HAVE AVAILABLE ON A TIMELY BASIS, QUALITY RECORDS TRACEABLE TO THE CONFORMANCE OF PRODUCT/PART NUMBERS DELIVERED TO STELIA NORTH AMERICA. SUPPLIER SHALL MAKE SUCH RECORDS AVAILABLE TO REGULATORY AUTHORITIES AND STELIA NORTH AMERICA'S AUTHORIZED REPRESENTATIVES. SUPPLIER SHALL RETAIN SUCH RECORDS FOR 10 YEARS FROM THE DATE OF SHIPMENT UNDER EACH APPLICABLE ORDER FOR ALL PRODUCT/PART NUMBERS UNLESS OTHERWISE SPECIFIED ON THE PURCHASE ORDER.

SUPPLIER SHALL NOTIFY STELIA NORTH AMERICA PRIOR TO THE DISPOSAL OF ANY RECORDS AND STELIA NORTH AMERICA RESERVES THE RIGHT TO REQUEST DELIVERY OF SUCH RECORDS. IN THE EVENT STELIA NORTH AMERICA CHOOSES TO EXERCISE THIS RIGHT, SUPPLIER SHALL PROMPTLY DELIVER ALL REQUESTED RECORDS TO STELIA NORTH AMERICA AT NO ADDITIONAL COST VIA THE MEDIA AND METHOD AGREED UPON BY BOTH PARTIES.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

8. CERTIFICATE OF CONFORMANCE:

SHIPMENT OF EACH DELIVERABLE END ITEM SHALL BE ACCOMPANIED BY A CERTIFICATE OF CONFORMANCE/PACKING SLIP. THE CERTIFICATE OF CONFORMANCE/PACKING SLIP SHALL CONTAIN THE FOLLOWING INFORMATION:

A) SUPPLIER'S NAME AND ADDRESS

B) STELIA NORTH AMERICA PURCHASE ORDER NUMBER AND PURCHASE ORDER ITEM NUMBER

C) DATE PARTS SHIPPED

D) TOTAL QUANTITY SHIPPED AND THE QUANTITY IN EACH CONTAINER

E) PART NUMBER SHOWN ON THE PURCHASE ORDER

F) DESCRIPTION/NOMENCLATURE

G) UNIT OF MEASURE

H) WARRANTY DATA AND CERTIFICATION DATA AS APPLICABLE

I) SERIAL NUMBER(S), AS APPLICABLE

J) ATTEST THAT MATERIAL(S)/ITEM(S) CONFORM TO DRAWING(S), SPECIFICATION(S) AND PURCHASE ORDER REQUIREMENTS AND BE SIGNED BY AN AUTHORIZED REPRESENTATIVE

K) PROVIDE TRACEABILITY TO LOT/BATCH NUMBER

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

9. TEST CERTIFICATES:

SUPPLIER SHALL PERFORM ACCEPTANCE TESTING ON THE LOT, BATCH OR ITEM REQUIRED BY THE APPLICABLE SPECIFICATION(S). THE SUPPLIER SHALL INCLUDE WITH EACH SHIPMENT, TWO (2) COPIES OF THE ACCEPTANCE TEST RESULTS. TEST REPORTS SHALL INCLUDE CONTROL IDENTITY (E.G., HEAT, LOT, BATCH, SERIAL NUMBER) OF MATERIALS OR ITEM(S) TESTED, ACTUAL VALUES WHEN APPLICABLE, REFERENCES TO APPLICABLE SPECIFICATION(S) INCLUDING REVISION, AND SHALL BE SIGNED BY THE SUPPLIERS AUTHORIZED AGENT. THE REPORT SHALL ESTABLISH THE QUANTITY OF MATERIALS OR ITEM(S) ASSOCIATED WITH EACH TRACEABILITY NUMBER SHIPPED. PLACE ONE COPY WITH THE SHIPPING DOCUMENTATION AND ONE COPY ON THE INSIDE OF THE SHIPPING CONTAINER. IF SUPPLIER IS NOT THE MANUFACTURER, SUPPLIER SHALL FURNISH THE MANUFACTURER'S TEST REPORT AS DESCRIBED ABOVE.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

10. QUALITY ASSURANCE AUDIT:

SUPPLIER'S QUALITY SYSTEM AND MANUFACTURING PROCESSES MAY BE SUBJECT TO PERIODIC AUDITS BY STELIA NORTH AMERICA'S QUALITY ASSURANCE DEPARTMENT.

11. SPECIAL PROCESSES:

SPECIAL PROCESSES SHALL BE PERFORMED ONLY BY THOSE PROCESSORS APPROVED BY STELIA NORTH AMERICA'S CUSTOMERS AND DOCUMENTED ON THE APPLICABLE PRIME CUSTOMER APPROVED SUPPLIER LISTING(S).

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

12. NON-CONFORMING PRODUCT:

IF STELIA NORTH AMERICA DISCOVERS DISCREPANCIES IN THE PURCHASED MATERIAL(S) OR ITEM(S) FROM THIS PURCHASE ORDER SHALL RESULT IN THE FOLLOWING ACTIONS:

- STELIA NORTH AMERICA MAY FORWARD TO THE SUPPLIER A "SUPPLIER CORRECTIVE ACTION REQUEST". THE SUPPLIER SHALL RESPOND IN THE TIME FRAME IDENTIFIED ON THE REQUEST.
- 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 STELIA NORTH AMERICA SHALL BEAR ADEQUATE IDENTIFICATION, INCLUDING REFERENCE TO SNA'S REJECTION DOCUMENT.
- SUPPLIER MAY BE CHARGED FOR ALL STELIA NORTH AMERICA-INCURRED COSTS, EXPENSES, LOSS OF VALUE AND ANY OTHER DAMAGES INCURRED AS A RESULT OF OR IN CONNECTION WITH THE NON-CONFORMANCE AND REPAIR, REPLACEMENT, OR REWORK AS A RESULT OF PRODUCT FOUND TO BE UNACCEPTABLE WHEN INSPECTED TO THE REQUIREMENTS CALLED OUT IN THE APPLICABLE ENGINEERING REQUIREMENTS.
- AT THE DISCRETION OF STELIA NORTH AMERICA, WHERE STELIA NORTH AMERICA'S PRODUCTION SCHEDULE DOES NOT ALLOW RETURN OF DEFECTIVE PRODUCT/MATERIAL, STELIA NORTH AMERICA RESERVES THE RIGHT TO REWORK/REPAIR DEFECTIVE PRODUCT. STELIA NORTH AMERICA ALSO RESERVES THE RIGHT TO CHARGE THE CURRENT HOURLY WRAP RATE TO COVER COSTS OF REWORKING OR REPAIRING ANY NONCONFORMITY OF PRODUCT INTO AN ACCEPTABLE CONDITION AT STELIA NORTH AMERICA'S FACILITY.
- COSTS 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.

TO CONTEST ANY REJECTION, SUPPLIER SHALL SUBMIT COMPLETED FORM "SCQA-QCI-008-08" AVAILABLE FROM STELIA NORTH AMERICA'S WEBSITE. ALL SUPPORTING EVIDENCE IS TO BE INCLUDED WITH THE SUBMISSION. FORMS SHALL BE SUBMITTED TO THE BUYER REFERENCED ON THE APPLICABLE PURCHASE ORDER.

14. SHELF LIFE:

TIME SENSITIVE MATERIAL IS NOT TO BE SHIPPED TO STELIA NORTH AMERICA WITH LESS THAN 80% OF THE ORIGINAL SHELF LIFE, PER THE CONTROLLING SPECIFICATION(S), REMAINING. SUPPLIER IS ALSO RESPONSIBLE FOR COMPLIANCE WITH ANY ADDITIONAL STORAGE-LIFE REQUIREMENTS PER THE CONTROLLING SPECIFICATION(S).

SHOULD A SHELF LIFE BE APPLICABLE, THE DATE USED TO DETERMINE THE SHELF-LIFE (MANUFACTURE, SHIPMENT, OR AS OTHERWISE DEFINED BY THE CONTROLLING SPECIFICATION(S)) AND THE DATE OF EXPIRY ARE TO BE CLEARLY MARKED ON ALL UNIT CONTAINERS AND PACKAGING. WHEN THE SIZE OF THE ITEM OR THE CONTROLLING SPECIFICATION(S) DOES NOT PERMIT MARKING OF INDIVIDUAL ITEMS, SUPPLIER SHALL LABEL EACH PACKAGE OR BOX.

A TEMPERATURE RECORDER MUST ACCOMPANY ALL TEMPERATURE SENSITIVE MATERIAL. INCLUDE A MINIMUM OF 2 PER LOT AS APPLICABLE, UNLESS OTHERWISE STATED ON PURCHASE ORDER OR IN THE SPECIFICATION(S). ALL TEMPERATURE RECORDERS MUST HAVE PROOF OF CALIBRATION AND THE EXPIRY DATE. SUPPLIER MUST VALIDATE THAT ALL TEMPERATURE RECORDERS ARE TURNED ON AND WORKING BEFORE PLACING IT WITH THE MATERIALS.

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(S).

16. DATA PACKAGE:

SUPPLY ANY CATALOGUES, 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, AND 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 INTENDED PURPOSE.

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 STELIA NORTH AMERICA QUALITY ASSURANCE FOR APPROVAL. STELIA NORTH AMERICA RESERVES THE RIGHT TO CONDUCT A PHYSICAL CONFIGURATION AUDIT (PCA) AND FUNCTIONAL CONFIGURATION AUDIT (FCA).

20. IDENTIFICATION & PACKAGING:

MATERIAL SUPPLIED TO STELIA NORTH AMERICA SHALL BE IDENTIFIED WITH PART NUMBER AND 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 REQUIREMENTS. THE IDENTIFICATION OF THE END ITEM MUST PROVIDE TRACEABILITY TO THE PROCESS, MATERIAL, AND COMPONENTS.

SUPPLIER SHALL 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.

21. PROPRIETARY DATA AND DOCUMENTATION:

ALL PROPRIETARY DATA AND DOCUMENTATION PROVIDED BY STELIA NORTH AMERICA SHALL BE HELD UNDER STRICT CONTROL, AND SHALL NOT BE PROVIDED TO ANY THIRD PARTY WITHOUT WRITTEN AUTHORIZATION FROM STELIA NORTH AMERICA. IF REQUESTED BY STELIA NORTH AMERICA, ALL SUCH INFORMATION SHALL BE RETURNED TO STELIA NORTH AMERICA UPON COMPLETION OF THE PURCHASE ORDER REQUIREMENTS.

THE SUPPLIER SHALL NOT MAKE ANY CHANGES TO STELIA NORTH AMERICA PROPRIETARY PRODUCT OR PROCESS WITHOUT PRIOR WRITTEN APPROVAL FROM STELIA NORTH AMERICA. ALL CHANGES MUST BE REFLECTED IN APPROPRIATE DOCUMENTATION, MANUALS, SPARES, AND REPAIRED PARTS.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

25. FOD PREVENTION PROGRAM (FOD)

SUPPLIER SHALL ESTABLISH SPECIFIC REQUIREMENTS AND PROCEDURES FOR THE CONTROL OF FOREIGN OBJECT DEBRIS/DAMAGE, AND SHALL HAVE CONTROLS WHICH ARE BEING IMPLEMENTED TO ENSURE CLEANLINESS OF WORK AREAS. THESE REQUIREMENTS AND PROCEDURES MUST HAVE ITS BASIS AND ENCOMPASS ALL THE ELEMENTS FOUND IN THE AEROSPACE INDUSTRIES ASSOCIATION (AIA) NATIONAL AEROSPACE STANDARD (NAS) 412 ENTITLED FOREIGN OBJECT DAMAGE / FOREIGN OBJECT DEBRIS (FOD) PREVENTION OR EQUIVALENT AS DETERMINED BY STELIA NORTH AMERICA SUPPLY CHAIN QUALITY ASSURANCE. THIS FOD CONTROL PROGRAM MUST EXTEND TO COMPONENTS AND ASSEMBLY STORAGE, WORKSHOPS AND IF PRESENT, HANGER FACILITIES.

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26. CONFLICT MINERALS OR DERIVATIVE METALS

SUPPLIER SHALL HAVE A POLICY AND PROCEDURE IN PLACE TO PREVENT INCORPORATION OF CONFLICT MATERIALS OR DERIVATIVE METALS IN PARTS AND SUB-ASSEMBLIES SUPPLIED TO STELIA NORTH AMERICA. SOME OF THE LISTED CONFLICT MINERALS ARE TANTALUM, TIN, TUNGSTEN, GOLD AND DERIVATIVE MATERIALS.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

28. CONTROL OF WORK TRANSFER

SUPPLIERS SHALL ADVISE STELIA NORTH AMERICA 6 MONTHS IN ADVANCE PRIOR TO ANY TRANSFER OF OPERATIONS (E.G. FROM ORGANIZATION FACILITY TO ANOTHER, FROM THE ORGANIZATION TO A SUB-TIER SUPPLIER, FROM A SUB-TIER SUPPLIER TO ANOTHER SUB-TIER SUPPLIER) AND ALLOW SUFFICIENT TIME FOR REVIEW AND APPROVAL BY STELIA NORTH AMERICA. 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 IF APPLICABLE
- 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 STELIA NORTH AMERICA.

30. OUT-LIFE

MATERIAL IS NOT TO BE SHIPPED TO STELIA NORTH AMERICA WITH LESS THAN 80% OF THE ORIGINAL SHOP/OUT LIFE, PER THE CONTROLLING SPECIFICATION(S), REMAINING. IN THE EVENT THAT THIS SHIPMENT IS ARRANGED BY THE SUPPLIER, THE SHOP/OUT LIFE REMAINING IS BASED ON THE AMOUNT REMAINING UPON RECEIPT AT STELIA NORTH AMERICA'S FACILITY. IF SHIPMENT IS ARRANGED BY STELIA NORTH AMERICA, THE SHOP/OUT LIFE REMAINING IS BASED UPON THE AMOUNT REMAINING AT PICK UP BY STELIA NORTH AMERICA'S CARRIER.

31. SHIPPING TERMS

- A)** SUPPLIER MUST USE SHIPPING METHOD OUTLINED BY STELIA NORTH AMERICA. ANY ADDITIONAL COSTS RESULTING FROM A DEVIATION IN THE STATED SHIPPING PROCEDURE WILL BE CHARGED BACK TO THE SUPPLIER.
- B)** BILL OF LADING MUST STATE: "MUST BE SHIPPED AND MAINTAINED AT -10°F OR -23.3°C CONTINUOUS RUN."
- C)** MATERIAL SHIPPING VIA THE PRE-BOOKED REEFER TRUCK MUST BE READY FOR SHIPMENT ON THE SHIP DATE STATED ON THE PURCHASE ORDER. EXTRA COSTS ASSOCIATED WITH TRANSPORTATION IF THE MATERIAL IS NOT READY ON THE STATED DATE OF THIS ORDER WILL BE CHARGED BACK TO THE SUPPLIER.
- D)** STELIA NORTH AMERICA RESERVES THE RIGHT TO RESCHEDULE QUANTITIES AND DELIVERY DATES OUTSIDE A 60 DAY WINDOW BASED ON DELIVERY REQUIREMENTS TO STELIA NORTH AMERICA'S CUSTOMERS.
- E)** ALL PACKAGING TO BE "BEST COMMERCIAL PRACTICE".
- F)** THREE (3) COPIES OF CUSTOMS PAPERWORK MUST BE INCLUDED WITH SHIPMENT TO AVOID ANY POSSIBLE DELAYS IN CANADA CUSTOMS CLEARANCE. PRINT ON ALL DOCUMENTS "MATERIAL FOR AIRCRAFT PARTS MFG-MADE IN USA". INCLUDE PROFORMA INVOICE WITH SHIPMENT FOR CUSTOMS CLEARANCE.
- G)** ALL DOCUMENTATION INCLUDING WAYBILL MUST REFERENCE STELIA NORTH AMERICA'S PURCHASE ORDER NUMBER.
- H)** MATERIAL SAFETY DATA SHEETS (MSDS) OR SAFETY DATA SHEETS (SDS) ARE TO BE SENT WITH THE SHIPMENT IF APPLICABLE.
- I)** ALL VENDORS ARE TO CONFIRM SHIPPING DATE STATED ON PURCHASE ORDER.

32. MANUFACTURER'S BATCH/LOT NUMBERS PER SHIPMENT

ALL MATERIALS THAT HAVE A MANUFACTURER'S BATCH/LOT NUMBER AND SHELF LIFE CONDITIONS STATED ON THIS PURCHASE ORDER MUST HAVE ONLY A SINGLE (1) MANUFACTURER'S BATCH/LOT NUMBER SHIPPED AGAINST A SINGLE PO LINE WITHOUT EXPRESS WRITTEN AUTHORIZATION FROM STELIA NORTH AMERICA. ANY VIOLATION OF THIS CLAUSE WILL RESULT IN THE SUPPLIER BEING CHARGED FOR THE ADDITIONAL RECEIPT TESTING PERFORMED AT STELIA NORTH AMERICA. THIS CHARGE WILL BE A MINIMUM OF \$250 TO A MAXIMUM OF \$1500 BASED ON THE TESTING REQUIRED FOR EACH ADDITIONAL MANUFACTURER'S BATCH/LOT SHIPPED.

33. QUALIFIED PRODUCTS/MATERIALS

ALL RAW MATERIALS SHALL BE SUPPLIED OR MANUFACTURED BY QUALIFIED/APPROVED SOURCES. IF THE PRODUCT/MATERIAL SPECIFICATION HAS A QUALIFIED PRODUCTS LIST (QPL), OR QUALIFIED MANUFACTURERS LIST (QML) THEN THE MANUFACTURER OF THAT PRODUCT MUST BE LISTED THEREIN.

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34. DISTRIBUTORS

WHEN THE SUPPLIER IS A DISTRIBUTOR OR OTHER THAN THE ORIGINAL EQUIPMENT MANUFACTURER (OEM), THE OEM'S NAME AND LOCATION (CITY AND PROVINCE/STATE) SHALL BE IDENTIFIED WITHIN SUPPLIER'S SHIPPING DOCUMENTATION AND A COPY OF THE OEM PAPERWORK SHALL BE PROVIDED.

35. AWARENES

SUPPLIER SHALL ENSURE THEIR PERSONNAL ARE AWARE OF:

- THEIR CONTRIBUTION TO PRODUCT OR SERVICE CONFORMITY;
- THEIR CONTRIBUTION TO PRODUCT SAFETY;
- THE IMPORTANCE OF ETHICAL BEHAVIOR.

Stelia North America reserves the right to require and request evidence that Supplier's personal are aware of:

- Their contribution to product or service conformity;
- Their contribution to product safety;
- The importance of ethical behavior.

36. 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 STELIA NORTH AMERICA:

- A) ARE NOT AN ILLEGAL OR UNAUTHORIZED COPY OR SUBSTITUTE OF AN ORIGINAL EQUIPMENT MANUFACTURER 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).**
- B) DO NOT INCLUDE ANY ITEMS OR COMPONENTS THAT HAVE BEEN PREVIOUSLY USED, REFURBISHED OR RECLAIMED BUT THAT THE SUPPLIER REPRESENTS AS BEING NEW ITEMS**
- C) DO NOT INCLUDE ANY ITEMS THAT THE SUPPLIER REPRESENTS AS HAVING SUCCESSFULLY PASSED ALL OEM TESTING, VERIFICATION, SCREENING AND QUALITY CONTROL BUT HAVE NOT MET OR PASSED ALL SUCH REQUIREMENTS.**
- D) 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 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 STELIA NORTH AMERICA. THE SUPPLIER SHALL PROMPTLY REPLACE SUCH SUSPECT/COUNTERFEIT PARTS WITH PARTS ACCEPTABLE TO STELIA NORTH AMERICA AND THE SUPPLIER SHALL BE LIABLE FOR ALL COSTS RELATING TO THE REMOVAL AND REPLACEMENT OF 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 STELIA NORTH AMERICA. STELIA NORTH AMERICA RESERVES ALL CONTRACTUAL RIGHTS AND REMEDIES TO ADDRESS GRIEVANCES AND DETRIMENTAL IMPACTS CAUSED BY SUSPECT/COUNTERFEIT PARTS.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

37. NOTIFICATION OF ESCAPEMENT (NoE) PROCESS:

SUPPLIER SHALL PROVIDE WRITTEN NOTIFICATION TO STELIA NORTH AMERICA WHEN A NONCONFORMANCE IS DETERMINED TO EXIST, OR IS SUSPECTED TO EXIST, ON PRODUCT ALREADY DELIVERED TO STELIA NORTH AMERICA. WRITTEN NOTIFICATION SHALL INCLUDE:

- A) AFFECTED PROCESS(ES) OR PRODUCT NUMBER(S) AND NAME(S)**
- B) DESCRIPTION OF THE NONCONFORMING CONDITION AND THE AFFECTED ENGINEERING REQUIREMENT (I.E., WHAT IT IS AND WHAT IT SHOULD BE)**
- C) QUANTITIES, SHIPPING DATES, PURCHASE ORDERS AND DESTINATIONS OF DELIVERED SHIPMENTS**
- D) SUSPECT/AFFECTED SERIAL NUMBER(S) OR DATE CODES, LOT NUMBERS, OR OTHER PART IDENTIFIERS AND AIRPLANE LINE UNITS WHEN APPLICABLE.**

NOTIFICATION MUST OCCUR WITHIN THREE (3) BUSINESS DAYS OF KNOWING ALL THE ABOVE INFORMATION. HOWEVER, IF THE CONDITION IS POSSIBLE SAFETY OF FLIGHT, SUBMIT ALL AVAILABLE INFORMATION IMMEDIATELY.

SUPPLIER SHALL NOTIFY THE FOLLOWING:

- THE PROCUREMENT REPRESENTATIVE
- THE SUPPLY CHAIN QUALITY ASSURANCE LEADER

IF THE NONCONFORMING CONDITION HAS BEEN PREVIOUSLY IDENTIFIED BY STELIA NORTH AMERICA AND A CORRECTIVE ACTION HAS BEEN REQUESTED, THE SUPPLIER SHALL NOTIFY THE INITIATOR IDENTIFIED ON THE CORRECTIVE ACTION THAT ADDITIONAL PARTS ARE AFFECTED(SAME PART NUMBER(S)/SAME CONDITION). NOTE: ADDITIONAL PART NUMBERS OR NEW NONCONFORMING CONDITIONS ARE IN SCOPE FOR THE NOE PROCESS.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain with the modification that all Supply Chain notification shall pass through Seller (and not made direct from Supply Chain to Stelia North America). Seller shall notify Stelia North America of all sub-tier escapes in accordance with the communication process set forth herein. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

3. SUPPLEMENTAL QUALITY CLAUSES

6. GOVERNMENT QUALITY ASSURANCE:

ARRANGEMENTS MUST BE MADE PROMPTLY WITH THE GOVERNMENT QUALITY ASSURANCE REPRESENTATIVE FOR YOUR AREA OR FACILITY, SO THAT APPROPRIATE GOVERNMENT QUALITY ASSURANCE CAN BE ACCOMPLISHED PRIOR TO RELEASE AUTHORIZATION.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

13. SNA SOURCE ACCEPTANCE:

STELIA NORTH AMERICA SOURCE ACCEPTANCE IS REQUIRED. NOTIFY THE STELIA NORTH AMERICA BUYER IDENTIFIED ON THE PURCHASE ORDER 10 BUSINESS DAYS IN ADVANCE OF REQUIRED SOURCE ACTIVITY, UNLESS STELIA NORTH AMERICA SOURCE ACCEPTANCE HAS BEEN DELEGATED.

15. STATISTICAL PROCESS CONTROL:

STATISTICAL PROCESS CONTROL SHALL BE IMPLEMENTED BY THE SUPPLIER. A PROCESS CONTROL PLAN SHALL BE SUBMITTED TO STELIA NORTH AMERICA QUALITY ASSURANCE FOR APPROVAL.

18. INTERCHANGEABILITY:

THE SUPPLIER SHALL MAINTAIN A CONTROL SYSTEM TO ENSURE INTERCHANGEABILITY. THE SUPPLIER'S INTERCHANGEABILITY CONTROL PLAN SHALL BE SUBMITTED WITH THE SUPPLIER'S PROPOSAL.

22. QUALITY PLAN

SUPPLIER SHALL DEVELOP AND SUBMIT A QUALITY PLAN PRIOR TO DELIVERY OF ANY PARTS TO STELIA NORTH AMERICA. STELIA NORTH AMERICA QUALITY ASSURANCE MUST APPROVE THE SUPPLIERS QUALITY PLAN. THE ACCEPTANCE OF THE QUALITY PLAN BY STELIA NORTH AMERICA QUALITY ASSURANCE DOES NOT RELIEVE THE SUPPLIER / SUBCONTRACTOR OF THE RESPONSIBILITIES DEFINED IN THE CONTRACT OR PURCHASE ORDER.

Stelia North America requires that the provisions/requirements set forth in this clause be included in Suppliers direct supply contracts related to the Products/Part Numbers and flowed to all sub-tier levels of the Supply Chain. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

23. MANUFACTURING PLAN

SUPPLIER SHALL DEVELOP AND SUBMIT A MANUFACTURING PLAN PRIOR TO MANUFACTURING ANY PARTS FOR STELIA NORTH AMERICA. THE MANUFACTURING PLAN SHALL CONSIST OF ALL OPERATIONS USED IN THE MANUFACTURE OF THE PART, INCLUDING ALL SUBCONTRACTED PROCESS(ES), EQUIPMENT USED AND SPECIAL PROCESS(ES). THE ACCEPTANCE OF THE MANUFACTURING PLAN BY STELIA NORTH AMERICA QUALITY ASSURANCE DOES NOT RELIEVE THE SUPPLIER / SUBCONTRACTOR OF THE RESPONSIBILITIES DEFINED IN THE CONTRACT OR PURCHASE ORDER.

27. CUSTOMIZED DETAILED INSPECTION CHECKLIST

SUPPLIER AND STELIA NORTH AMERICA WILL AGREE UPON A DETAILED INSPECTION CHECKLIST. STELIA NORTH AMERICA QUALITY ASSURANCE WILL REVIEW THE DETAILED INSPECTION CHECKLIST AND APPROVE IT. ONCE APPROVED BY STELIA NORTH AMERICA QUALITY ASSURANCE AND AGREED UPON BY THE SUPPLIER, THE INSPECTION CHECKLIST WILL BE SUPPLIED WITH THE PURCHASED MATERIAL/PARTS TO STELIA NORTH AMERICA.

29. FIRST ARTICLES – SOURCE INSPECTION

A FIRST ARTICLE INSPECTION (FAI) REPORT MUST BE COMPLETED PER AS/EN/SJAC 9102 REQUIREMENTS AND SCQA-QCI-004 (AVAILABLE FROM THE SNA WEBSITE). ON-SITE SOURCE INSPECTION OF THE FIRST PRODUCTION ORDER WILL BE REQUIRED. FOLLOW-ON ORDERS MAY BE SOURCE INSPECTED AT THE DISCRETION OF STELIA NORTH AMERICA. IN THE EVENT OF A REJECTION, A DELTA FAI REPORT WILL BE REQUIRED ON THE NEXT LOT MANUFACTURED FOR THOSE CHARACTERISTICS FOUND TO BE NON-CONFORMING. THE STELIA NORTH AMERICA BUYER MUST BE NOTIFIED OF THE COMPLETION SCHEDULE. SUPPLIER IS TO CLEARLY IDENTIFY FAI PARTS ON PACKAGING AND ALL PAPERWORK.

37. CALIBRATION SERVICES

THE CALIBRATION SERVICE REQUESTED MUST PERFORM CALIBRATION OR VERIFICATION AGAINST MEASUREMENT STANDARDS TRACEABLE TO INTERNATIONAL OR NATIONAL MEASUREMENT STANDARDS. WHEN NO SUCH STANDARDS EXIST, THE BASIS USED FOR CALIBRATION OR VERIFICATION SHALL BE RETAINED AS DOCUMENTED INFORMATION. THIS INFORMATION SHALL BE IDENTIFIED ON THE CALIBRATION CERTIFICATE. THE CALIBRATION CERTIFICATE SHALL ALSO BE TRACEABLE TO THE ITEM BEING CALIBRATED. THE “AS FOUND/RECEIVED” AND “AS CALIBRATED” CONDITIONS SHALL ALSO BE DOCUMENTED ON THE CALIBRATION CERTIFICATE.

4. OBSOLETE QUALITY CLAUSES

5. QUALITY CONTROL SYSTEM:

CLAUSE SUPERSEDED BY CLAUSE 8.

24. SOURCE INSPECTION BY SNA PRIOR TO SHIPMENT

CLAUSE SUPERSEDED BY CLAUSE 13.