

# SHARP IRON GROUP QUALITY SYSTEM REQUIREMENTS FOR SUPPLIERS

WI 700-301 REV. H; February 3, 2020

## 1. QUALITY SYSTEM REQUIREMENTS

Seller shall continuously maintain Quality System compliance to the applicable quality system requirements. In the event the Seller is not registered by an accredited third-party which conducts periodic system assessments of the Seller, Buyer shall conduct periodic compliance assessments and Seller shall be solely responsible for all its and Buyer's costs related to such compliance assessments.

**\*See footnote for Vendor Flow Down Requirements**

- a. The Seller shall provide evidence of a certificate of registration from an accredited Certification Registration Body to the industry standard listed below, or successfully pass a compliance audit conducted by Buyer. In the event Seller fails to meet basic quality system requirements, Buyer, at its sole discretion will conduct periodic quality and delivery performance reviews, Buyer will evaluate total cost of Seller oversight and will make a business decision on whether or not to continue or terminate business with Seller.
- b. Buyer will monitor Seller's performance.
- c. Audits shall be performed to the current version of the following Industry Standards depending on the industry of Seller.
  - i. Manufacturing: Quality Management Systems - Aerospace - Requirements of AS/EN/JISQ 9100 or ISO 9001 or with Sharp Iron Group approval.
  - ii. Distribution: AS/EN/JISQ 9100, or Quality Management Systems - Aerospace Requirements for Stock List Distributors AS/EN/JISQ 9120.
  - iii. Repair and Overhaul: AS/EN/JISQ 9100, or Quality Management Systems - Aerospace Requirements for Maintenance Organizations AS/EN/JISQ 9110, or the applicable National Aviation Authority.
  - iv. Special Process Sellers (non-manufacturing): AS/EN/JISQ 9100 or meet the requirements of SAE AS9003. Compliance to AS9003 is demonstrated by satisfactory audit to National Aerospace and Defense Contractors Accreditation Program AC7004. Audit is to be performed by PRI or AECMA-EASE.
- d. Flow down requirements defined in footnote. <sup>i</sup>

## 2. CONFORMITY OF GOODS PROVIDED

Goods shall conform to all applicable requirements including drawings and specifications supplied by Buyer to Seller, regulatory requirements, and all applicable requirements including Sharp Iron Group Procedures as specified on the face of the PO and further described in the Sharp Iron Group Quality manual. The Sharp Iron Group Quality manual shall be provided upon Seller's written request to Buyer's representative listed on the face of the PO. In the event Seller discovers a Good has been delivered and subsequently found not to conform to the applicable requirements, the Seller shall notify the Buyer in writing within twenty-four (24) hours of discovery. In addition, the seller must notify buyer of changes in product, processes, suppliers, certifications, and manufacturing facility locations and obtain approval from buyer within twenty-four (24) hours. Such notification shall be sent to the Buyer's Director of Quality and Buyer's Director of Supply Chain Management at the address above.

## 3. COUNTERFEIT PARTS

The Supplier shall certify that only new and authentic materials are used in products or goods delivered to Sharp Iron and that the products/goods delivered contain no Counterfeit Parts.

## 4. ETHICAL BEHAVIOR

The Supplier will ensure that all persons performing work for Sharp Iron are aware of their contribution to product or service conformity, product safety and the importance of ethical behavior.

## 5. CONFLICT MINERALS POLICY

Sharp Iron Group maintains a Conflict Minerals Policy in order to raise awareness and maintain diligence in preventing the use of Conflict Minerals originating from mines ("Conflict Mines") in the Democratic Republic of Congo and the adjoining countries named in the Dodd-Frank Wall Street Reform and Consumer Protection Act, section 1502 (the "Act"). Conflict Minerals are known as 3TG (Tantalum, Tin, Tungsten and Gold).

- a. We will, when material requirements are not pre-defined by the customer, make every effort to avoid the use of materials that may contain 3GT minerals from Conflict Mines.
- b. When material requirements are pre-defined by the customer and may contain 3GT, we will use only trusted sources with whom we have a history of quality and ethical dealings, including compliance to our Terms and Conditions and to the Act.
- c. We will ensure, through our Purchasing Terms and Conditions, which all suppliers of raw materials are made aware of the requirement to avoid Conflict Minerals originating from Conflict Mines.
- d. Through training, we will make all our employees aware of our Conflict Minerals Policy and the importance of compliance.

## 6. RECORDS

All records created and/or retained by Sellers that provide evidence of conformity to Sharp Iron Group's requirements must be retained for a minimum of seven (7) years. Records shall remain legible, readily identifiable and retrievable. Records shall be available for review by Buyer and End Users in accordance with contractual and regulatory requirements.

## 7. QUALITY AUDITS AND INSPECTION

a. Buyer (including its customers, any regulatory authority, and / or airframe manufacturer) (hereafter, collectively referred to as "Buyer and End Users") may visit the premises of Seller or any of its sub-tier suppliers or subcontractors at any time for the purpose of conducting quality assurance inspections and/or audits. Buyer and End Users may (a) inspect and test the Goods, raw materials, components, equipment or tools being used, the work being performed in the supply and manufacture of the Goods and (b) review the quality assurance system in use by Seller. To the extent possible, Seller must coordinate (and may accompany Buyer and End Users on) inspections of Seller's, sub-tier supplier's, and subcontractor's premises.

b. Buyer reserves the right to source inspect the Goods at Seller's facility at any time. Seller shall provide reasonable assistance and office accommodations to facilitate Buyer's source inspection. Such source inspection shall not constitute acceptance of the Goods for purposes of triggering Buyer's payment obligations under the Contract.

## 8. SUB-TIER SUPPLIERS

Seller shall flow down to its sub-tier suppliers the requirements contained in the purchasing documents, including quality system requirements as noted in Section 1 of this Addendum 1 as applicable to its sub-tier suppliers. Seller shall advise its sub-tier suppliers that substitution of the materials specified by Buyer for the Goods shall not be permitted in any respect.

## 9. CHANGE OF NOTIFICATION AND APPROVAL

Sharp Iron Group must be notified of any changes in product or process, changes of sub-tier suppliers, supplier/sub-tier manufacturing process facility location, supplier management changes, and approval of changes must be obtained from Sharp Iron Group.

## 10. CALIBRATION SYSTEM

For contractors providing calibration services, all activities must be traceable to NIST and certificates provided indicate those standards. Certificates must also identify "received" and "as left" conditions in whatever terminology deemed appropriate. Notification must be made if items are determined "damaged" or "unable to calibrate" as soon as possible for potential impact review.

## 11. NOTIFICATION OF NONCONFORMANCE

All supplier corrective actions of SIG rejects or any rework to meet requirements must be reported to Sharp Iron Group on suppliers' nonconformance document or via email for dispositional approval.

## 12. TOOLING

Acceptance of production Goods is contingent upon inspection and acceptance by Buyer of the applicable characteristics of the drawing or provided design and specifications. The tooling and dimensional samples manufactured from this tooling must conform to the tolerance limits, drawings and specifications. Dimensional samples shall be identified with the tool number.

## 13. FIRST ARTICLE INSPECTION

A Seller is responsible for performing First Article Inspection ("FAI") on the Goods they provide per AS/EN 9102. The FAI or Goods shall be audited on-site or at Sharp Iron. Seller shall inform Sharp Iron Group of completion of an AS/EN 9102 FAI and Sharp Iron Group will advise of intent to audit on-site. Seller shall ship the FAI Goods and FAI reports to Buyer, in a container or package separate from a production order. The FAI Goods should be identified as FAI articles, and the shipment documentation should reference the applicable PO and part number(s). Whenever a new FAI is required (per AS/EN 9102) Seller shall provide Buyer FAI Goods in the same manner as set forth above in this Section 7. If Seller is not willing or capable of performing a FAI in accordance with AS/EN 9102 Sharp Iron Group may elect to perform this requirement on behalf of the Seller. Should Sharp Iron Group be required to perform FAI on behalf of the Seller, then cost recovery will be applied onto Seller's bids at time of next competitive bidding activity for the Goods.

## 14. CERTIFICATION TO FEDERAL AVIATION REGULATION 14 CFR 25.853

All production Goods that are nonmetallic in structure and makeup, (typically plastics, foams, wire shielding and sheathing, laminations which include nonmetallic, fabric and fabric materials, etc..) should be accompanied by a certification of conformance stating that they meet Burn Testing Requirements In accordance with Federal Aviation Regulation 14 CFR25.853A,B or C. If in doubt as to whether Goods being supplied should be certified to meet Federal Aviation Regulation 14 CFR 25.853, then please contact the Sharp Iron Group Buyer listed on your purchase order for clarification. All metallic Goods (Typically castings, bar-stock, sheet metal, machined aluminum, etc. are excluded from this requirement). This requirement applies unless otherwise stated on the drawing or specification referenced therein.

## 15. ADDITIONAL COMMODITY SPECIFIC REQUIREMENTS

Please contact Sharp Iron Group purchasing department for commodity specific requirements that are listed on the purchase order.

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<sup>i</sup> Flow Down Requirements (Based on your classifications):

- i. Manufacturing – See requirements 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12
- ii. Distribution – See requirements 1, 3, 4, 5, 6, 8, 9, 11 and 12
- iii. Processor – See requirements 1, 2, 3, 4, 5, 6, 7, 8, 10, 11 and 12
- iv. Calibration Service – See requirement 4, 7 and 10
- v. Outside Service – See requirements 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13
- vi. Maintenance, Repair or Operation- 4 and 10