

## Supplier Quality Requirements

This document defines quality and other requirements applicable when goods or services are sold to Macfab Manufacturing Inc. UNLESS OTHERWISE DIRECTED ON THE PURCHASE ORDER, THE FOLLOWING PROCESS RESTRICTIONS AND OTHER REQUIREMENTS APPLY:

### MACFAB CONTRACTUAL FLOW-DOWN REQUIREMENTS:

**18.2 - Control \* FLOW-DOWN CLAUSE** The supplier shall include documented information required for the control of record creation, change (handwritten or other), completion, and control of Quality records in accordance with the applicable quality system standard (i.e.: ISO 9001, etc.). **Note:** Electronic records have the same requirements, control, and retention as paper records. They shall also be capable of maintaining data integrity for the retention period.

**19.0 - Configuration Management \* FLOW-DOWN CLAUSE** The Supplier shall be responsible for controlling / tracking the actual configuration of the parts and/or assemblies through a documented engineering change process at their facility. MACFAB MANUFACTURING INC. suppliers that are built to print/specification, shall not make any form, fit or functional changes to MACFAB MANUFACTURING INC. configuration of parts and/or assemblies without approval from MACFAB MANUFACTURING INC.

**29.0 - Calibration System, Measuring and Test Equipment FLOW-DOWN CLAUSE** Calibration of inspection equipment shall be in accordance with a nationally or internationally recognized standard (i.e. ISO/IEC 17025, ANSI NCSL Z540 or ISO 10012) to the extent necessary to maintain required levels of accuracy. This as well is subject to MACFAB MANUFACTURING INC. approval. If production tooling such as jigs, fixtures, templates, and patterns are used as a media of inspection, a calibration plan shall also be established. When required, the supplier's measuring and test equipment shall be made available for use by the MACFAB MANUFACTURING INC. representative to determine conformance of product(s) with purchase order requirements. In addition, if conditions warrant, supplier's personnel shall be made available for operation of such devices and for verification of their accuracy and condition. Supplier must notify MACFAB MANUFACTURING INC. of any out of tolerance calibration. A risk/impact assessment will be delivered in a form of a quality notification.

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### GENERAL SUPPLIER QUALITY REQUIREMENTS:

1. **MATERIAL TEST REPORTS:** A certification record showing quantitative test results of the degree of compliance with applicable specifications regarding physical properties and chemical compositions is required for each batch of raw material supplied or used to complete the purchase order. The associated certification data shall be traceable from the supplier to the original mill/manufacturer by heat or lot/batch number. If raw material is being supplied, the raw material must be marked or tagged with the heat/lot numbers in such a way so it is visible as loaded on the truck.
2. **TIME SENSITIVE MATERIAL:** Any material being provided pursuant to the purchase order that is time sensitive shall be accompanied by a Certificate of Compliance that identifies the date of manufacture and the date of expiry. Shelf life for this material shall not be less than two thirds (2/3) of the manufacturer's recommended shelf life at the time of delivery to Macfab Manufacturing Inc..
3. **QUALIFIED COUNTRY AND NAFTA:** Any material supplied pursuant to this purchase order must come from a "Qualified Country" as defined by the Defense Federal Acquisition Regulations of the United States of America. All suppliers must supply a correct NAFTA Certificate of Origin for duty free export to Canada.
4. **ITAR AND CONTROLLED GOODS REGULATIONS:** All suppliers must inform the buyer if the goods, software or technical data being supplied by them are subject to United States International Trade in Arms Regulations, U.S. Department of Commerce export restrictions or Canadian Controlled Goods export restrictions. All Canadian suppliers providing services on products, or based on drawings, supplied by Macfab Manufacturing Inc. shall be registered under the Controlled Goods Regulations of Canada.
5. **INDUSTRY SPECIFICATION AND STANDARDS:** For all Military, Federal, and Industry specifications and standards, the supplier shall comply with the revision in affect at the time the Macfab Manufacturing Inc. purchase order is issued. Macfab Manufacturing Inc. reserves the right to request a different revision than would be specified on the purchase order.
6. **RECORDS OF OBJECTIVE EVIDENCE/RECORD RETENTION:** Suppliers shall retain verifiable objective evidence of inspection and tests performed to confirm purchase order requirements. Quality records shall be made available within three (3) business days for evaluation for a contractually agreed upon period. Unless otherwise specified, the period shall be ten (10) years.
7. **STATISTICAL TECHNIQUES:** Suppliers are responsible for understanding and reducing variation within processes and are encouraged to use control-charting techniques. When

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control charting is not performed, sample inspection of all attributes shall be performed to ANSI/ASQC Z1.4 (MIL-STD-105), Level II 1.0 AQL, c=0.

**8. CRITICAL ITEMS AND KEY CHARACTERISTICS:** All critical items and key characteristics identified on any drawings that form part of this order must be inspected and controlled at a verification frequency of 100% during the manufacturing process. If raw material is identified as a critical item, the Supplier must validate the raw material test reports through a 3rd party.

**9. MECHANICAL ASSEMBLY:** If the services being provided under this purchase order involve any mechanical assembly, the 64033 Mechanical Torque, Thread Locking and Workmanship Standard will apply. A copy of the 64033 Standard can be obtained from Macfab Manufacturing Inc. prior to assembly.

**10. FIRST ARTICLE INSPECTION:** First Article Inspection (FAI) shall be performed in accordance with the requirements of AS9102 when any of the following occur on build-to-print parts: one, a part is being made or supplied for the first time; two, a new supplier or process is used to manufacture the part; three, there has been a lapse in production of more than 2 years; four, the Supplier moves to a new facility; or five, there is a change in ownership of the Supplier. A copy of the FAI report shall be provided with the shipment of the parts. The Supplier shall ensure that all subsequent manufacturing, processing, testing, inspection and supply of the parts, including the selection of the Supplier's sub-tier suppliers and processors, are the same as those used to produce the FAI part. Unless otherwise provided for in the purchase order, all FAI reports shall be submitted at no charge.

**11. CALIBRATION SYSTEM:** Where applicable, any inspection equipment being used to confirm compliance with the requirements of this order shall be calibrated in accordance with a nationally or internationally recognized standard (i.e. ISO/IEC 17025, ANSI NCSL Z540 or ISO 10012). The Supplier must immediately notify Macfab Manufacturing Inc. of any out of tolerance calibration that may have resulted in non-conforming product being delivered to Macfab Manufacturing Inc..

**12. CERTIFICATES OF COMPLIANCE:** The Certificate of Compliance is a quality record that shall include the applicable part number, drawing revision, Military, Federal, or Industry specification number, purchase order number, quantity, date shipped, manufacturer's name and authorized representative's signature. The supplier shall be able to furnish information on their source of supply that could include items such as serial numbers, lot numbers, heat numbers, batch, date code and cure date. Unless directed by the applicable drawings, material or process specification, or supplemental quality clause, the data shall be retained on file and made available to Macfab Manufacturing Inc. on request.

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13. **RIGHT OF ENTRY:** Macfab Manufacturing Inc., its customers and any relevant regulatory authorities will have access to the Supplier's facilities on a non-interference basis, along with all other facilities involved in the order, where they will have access to all procedures, practices, processes, associated documents and records related to quality assurance, quality control and configuration control with respect to this order. Macfab Manufacturing Inc. reserves the right to determine and verify quality of work, records and material. The Supplier shall notify Macfab Manufacturing Inc. of any change in product, process, suppliers or the location of the Supplier's facility.

14. **RESPONSIBILITY FOR CONFORMANCE:** Acceptance of product shall not be used as evidence of effective control of quality by the Supplier, and shall not absolve the Supplier of responsibility for acceptable products or preclude subsequent rejection by Macfab Manufacturing Inc.' customers. The Supplier must question and resolve any conflicting or ambiguous requirements prior to order fulfillment and seek clarification on any discrepancies directly from Macfab Manufacturing Inc.. No Supplier shall supply parts that do not conform to the drawings, specifications or configuration of the parts in this order without the prior written consent of Macfab Manufacturing Inc..

15. **NON-CONFORMING PRODUCT:** Suppliers shall develop procedures that assure product that does not conform to specified requirements is not shipped to Macfab Manufacturing Inc.. Any variation from specified requirements shall require written authorization from Macfab Manufacturing Inc. prior to shipment. In the event that a unit is found to be non-conforming to the specifications of the purchase order, associated drawings or documented requirements, the Supplier shall use its best effort to rework or provide replacement parts within 24 hours. If the cause of the non-conformance is found to fall within the responsibility of the Supplier, the Supplier shall bear all costs associated with shipping and repairing/replacing the unit. If the cause of the non-conformance is found to fall within the responsibility of Macfab Manufacturing Inc., the Supplier shall provide a quote for the repair or rework, and Macfab Manufacturing Inc. will decide whether to repair, rework, replace or scrap the unit. Macfab Manufacturing Inc. will be responsible for the shipping costs associated with non-conformances that are its responsibility.

16. **SERIALIZATION:** If applicable, any serialization required by the drawings or specifications under this order shall be unique, consecutive, and non-duplicating. Serial numbers shall be assigned to specific units at the start of their manufacturing cycle. Once assigned, the serial number shall not be changed or re-used.

17. **SUPPLIER CONTROL:** Suppliers, including dealers and distributors, are responsible for ensuring that the applicable requirements of this purchase order are imposed on lower tier procurements for raw material, components or process services being used in the manufacture of products or services being provided.

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18. **NO COUNTERFEIT MATERIALS:** Where applicable, only new and authentic materials are to be sold to Macfab Manufacturing Inc.. No counterfeit or suspect counterfeit parts are to be contained within the delivered product. Parts must come directly from the original component manufacturer (OCM) or through an OCM franchised distributor. Documentation must be available that authenticates traceability to the applicable OCM. Independent distributors and brokers cannot provide product to Macfab Manufacturing Inc..

19. **CONFLICT MINERALS COMPLIANCE:** Suppliers agree that they will not provide Macfab Manufacturing Inc. with any “conflict minerals”, as defined in the Dodd-Frank Wall Street Reform Consumer Protection Act. Suppliers also agree that they will undertake due diligence on their supply chain and any other measures necessary to comply with this requirement.

20. **OBSOLETE PARTS AND COMPONENTS:** In the event the Supplier receives a product discontinuation notice or a product change notice for a product, component or sub-assembly on this order, the Supplier shall forward in writing the information to Macfab Manufacturing Inc. within 7 days.

21. **FOREIGN OBJECT DEBRIS/DAMAGE (FOD):** The Supplier shall manufacture, distribute and maintain its products in such a way as to eliminate foreign object debris and damage in items delivered to Macfab Manufacturing Inc.. All items delivered to Macfab Manufacturing Inc. shall be considered to have been verified by the Supplier as being free of foreign materials.

22. **RoHS COMPLIANCE:** Unless otherwise agreed on the purchase order, all suppliers to Macfab Manufacturing Inc. will provide products and services that are RoHS compliant per Directive 2011/65/EU and any subsequent amendments. The directive can be viewed here:  
[http://ec.europa.eu/environment/waste/rohs\\_eee/index\\_en.htm](http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm)

23. **REACH COMPLIANCE:** Unless otherwise agreed on the purchase order, all suppliers to BMP will provide products and services that are REACH compliant. The supplier will provide products and services which **do not contain** substances on the Candidate List of Substances of Very High Concern. This list is specified by the European Union Directive 1907/2006 on the Registration Evaluation Authorization and Restriction of Chemicals, which can be viewed here:  
<https://echa.europa.eu/candidate-list-table>

24. **WARRANTIES:** Suppliers shall warrant to Macfab Manufacturing Inc. that the items being delivered pursuant to any purchase order or similar contract are merchantable and free from defects in material and workmanship, and will conform to all applicable specifications, drawings, samples and descriptions. The foregoing express warranties shall be in addition to any warranties customarily made by the Supplier for its product. The Suppliers’ warranty shall extend for a period of eighteen (18) months after the item is delivered and accepted by Macfab Manufacturing Inc.. However, the Suppliers’ liability for any warranty claim shall be limited to the repair or replacement of the items plus any applicable shipping charges.

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25. **ETHICS:** Suppliers shall conduct their business in a fair, forthright and honest manner. Suppliers shall not receive nor give any gifts or gratuities in connection with this purchase order. Suppliers shall not engage in any unethical conduct during performance of this purchase order. Suppliers shall not engage in any personal, business or investment activity that may be defined as a conflict of interest, whether real or perceived.

26. **AWARENESS:** Suppliers shall ensure that persons within their organization are aware of:

- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behavior