

	<p>Brothers' Swiss, Inc. 4531 Runway Drive Lancaster, CA 93536</p>	<p>Document Title: QAP 4.18 Terms and Conditions Rev. C</p>
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1.0 POLICY:

All Brothers' Swiss, Inc. suppliers shall establish and maintain a quality system that is in compliance or shall conform with the quality requirements of ISO 9001:2008, AS9003, and/or AS9100, as applicable. Where required by the contract or direct flow down, certification to the applicable standard will apply (e.g. NADCAP, ISO 17025). **Specialty** material shall be compliant with Specialty Metals Act, DFAR 252.225 unless otherwise specified in the Purchase Order (PO). Materials found not in compliance with the PO and reference drawings will not be acceptable. Returned materials found non-conforming are the sole responsibility of the supplier including cost to rework to make it complaint. Supplemental clauses defining specific additional PO requirements will be invoked when applicable.

2.0 TERMS AND CONDITIONS:

- 2.1 Supplier Quality System shall be documented with procedures and/or work instructions that are adequate to provide compliance to Brothers' Swiss, Inc. PO requirements. Procedures shall address the following areas:
- All inspection requirements and acceptance criteria shall be documented.
 - Inspection records shall be maintained throughout the supplier's system (incoming through shipping).
 - Suppliers are required to perform a First Article Inspection (FAI). Documented results must be on file and available upon request.
 - Suppliers shall inspect incoming materials to ensure conformance to specification requirements. Use of Brothers' Swiss, Inc. supplied materials, tools and/or gages do not waive this requirement.
 - Supplier shall provide clear and complete evidence of final inspection on file. All applicable specifications and drawings relative to the job must be available upon request.
- 2.2 Raw material suppliers shall furnish material test reports to the purchase order requirements and shall not supply materials for which they are not approved or certified. **Specialty** material shall be compliant with Specialty Metals Act, DFAR 252.225 unless otherwise specified on the PO.
- 2.3 The supplier shall permit Brothers' Swiss, Inc., their customers, and regulatory agencies "right-of access" to conduct such inspection/audits at supplier facilities (or subcontractor facilities) as may be required to verify compliance with the purchase order requirements.

- 2.4 The supplier shall provide and maintain equipment to measure all products for conformance to Brothers' Swiss, Inc. requirements. The supplier shall have a calibration system or use an independent calibration service that complies with ISO10012-1 or equivalent and traceable to ANSI/NC SL Z540.1. When required by the contract, supplier which provides calibration services to Brothers' Swiss, Inc. must comply with the requirements of ISO 17025.
- 2.5 Special processes shall be performed only by Brothers' Swiss, Inc. approved sources and/or customer approved sources. All operations necessary shall be performed at the supplier's facility. Supplier shall not use subcontractors for any operations without written authorization from Brothers' Swiss, Inc. Supplier shall notify Brothers' Swiss, Inc. on any change in their process. Process change shall be approved by Brothers' Swiss, Inc. and/or their customer prior to commencing work.
- 2.6 Supplier must notify Brothers' Swiss, Inc. of nonconforming products. Supplier shall provide for control on nonconforming materials, including procedures for its identification, segregation, and disposition.
- 2.7 Supplier's system shall identify and correct causes of nonconformance to prevent the reoccurrence of discrepant products. The system shall establish ways of preventing nonconformance. Failure to take effective corrective action will result in taking more serious action like withholding of quotation opportunities.
- 2.8 All quality records shall be legible and shall be stored and retained in such a way as to be readily available upon request. These records shall be maintained for a minimum of seven (7) years or a contractually specified. All certifications shall contain a signature of a responsible member of the suppliers' management or a designee and their position in the company.
- 2.9 Suppliers shall complete a certification of conformance report with the shipment of parts. The certification shall indicate, as a minimum:
- Brothers' Swiss, Inc. part number, including applicable revision
 - Quantity of parts covered by the certification.
 - Purchase Order number.
 - Specification number (special process certification).
 - Name of certifying company, material type including size, material specification number, traceable lot number, batch and/or heat code number, chemical and physical properties (raw material certification).

Failure to include certifications with the shipment will result in placing the parts on hold and/or rejection.

- 2.10 **If** specified on the purchase order, Nondestructive Test (NDT) shall be performed 100%. With each delivery of the products on the contract, the supplier shall furnish a certified test report that shows that the required NDT (i.e. Penetrant,

Magnetic Particle, Radiographic, Ultrasonic, etc.) was performed on all delivered parts. A complete description of the test, test name, specification, revision, type, and method must be provided on the test report.

- 2.11 Supplier shall maintain an effective preservation, packaging, and shipping system that will prevent damage and mixing of parts. If Brothers' Swiss, Inc. shipped parts in protective packaging (e.g. trays, caps, boxes, bags, etc.), the parts must be returned in the same protective packaging upon completion of work. The system shall also ensure that the purchase order has been reviewed and that the necessary test reports, certifications, and other required documents are included with the shipment.
- 2.12 Any changes of ownership or senior management shall be communicated in writing to Brothers' Swiss, Inc. no later than 30 days after change.
- 2.13 Calibration suppliers shall calibrate/certify all inspection, measuring, and test equipment to "Manufacturer's Specifications" unless otherwise noted on the purchase order. Calibration certificates, or calibration test reports shall have this statement added, "Calibrated to manufacturer's Specifications". If calibration specifications other than the manufacturers were noted on the purchase order, the calibration certificate, or calibration test report shall list these specifications, and state that the unit was calibrated to these.
- 2.14 **Submission of Nonconforming Material/Conformance**
Items not in conformance with the requirements of the Purchase Order, drawings, specifications, and industry standards referenced therein, or that cannot be corrected through continuation of the original manufacturing process or by rework, shall not be submitted without prior written approval from in the form of an approved Request for Deviation, available from Purchasing or Quality Assurance. Submittals shall include supplier-recommended disposition(s) with sufficient technical, quality, and reliability justification.
- 2.15 **Flow Down of Requirements**
The supplier must ensure that requirements are communicated internally at all applicable levels to promote compliance. Emphasis shall be made to promote and ensure products' safety and ethical behavior due to the criticality of products provided to the Aerospace Industry. The same requirements and expectations must be flowed down to sub-tier and 2nd source suppliers, including key characteristics, materials selection, first article inspection, process controls where required.
- 2.16 **Foreign Object Detection/Product Safety**
All materials, parts, and assemblies must be protected from the intrusion of foreign object debris that could potentially cause damage and product safety. As appropriate, the supplier shall develop and implement a Foreign Object Damage/Foreign Object Debris Prevention Program guided by

National Aerospace Standard 412.

2.17 Counterfeit Parts & Materials

Supplier shall have a counterfeit parts avoidance, detection, mitigation, and disposition program meeting the requirements of Aerospace Standard AS5553. Seller shall only deliver authentic components, devices, pieces, material, modules, assemblies, subassemblies, goods, etc. that are manufactured by or obtained from original equipment manufacturers (OEMs), original component manufacturers (OCMs), or authorized distributors. Seller shall make available to documentation that authenticates and provides traceability of the Parts to the applicable OEM or OCM.

2.18 Ethical Behavior

Supplier must practice Ethical Behavior as core values of the company. This practice must include honesty and integrity, doing the right thing, knowing the difference between right and wrong, teamwork, growth oriented and customer focused.

3.0 REVISION HISTORY:

<u>Date</u>	<u>Revision</u>	<u>Description of Changes</u>
2/12/2014	NC	Initial release.
11/21/16	A	Added 2.13 paragraph
12/5/16	B	Was all Material..., is Specialty material
1/7/2019	C	Add 2.14 thru 2.18 Flow down Requirements.

4.0 APPROVAL:

Dwayne Mead, President/General Manager
Brothers' Swiss, Inc.