

QUALITY REQUIREMENTS FOR SUPPLIERS 7.4.5 A

1 PURPOSE

To set a minimum Quality Systems Requirement that suppliers are expected to operate within, to prevent non-conformities in process or product, and to provide evidence of control, with satisfactory levels of customer service.

2 SCOPE

This procedure applies to all goods and services that may affect quality.

Suppliers shall have and maintain a Quality Management System (QMS) appropriate to the products and services provided to FGL Precision Ltd (FGL). ISO 9001 QMS shall be certified by a UKAS accredited certification body (CB). AS/EN 9100 QMS shall be certified by an IAQG accredited certification body and be registered in OASIS to the latest revision.

FGL requires all suppliers to be approved prior to the issuing of a purchase order. All suppliers must be approved by FGL, regardless of approvals by customers or other entities.

Suppliers will be required to provide objective evidence that demonstrates compliance with the applicable QMS and this document.

Suppliers are required to provide FGL with updated documents when necessary, including current QMS certification and customer's approval (e.g. Airbus, SAFRAN, Honeywell Aerospace.)

The requirements of this document are contractually binding on the supplier accepting an FGL Precision Ltd purchase order.

These requirements are additional to the purchase order and do not replace or alter any of the terms and conditions covered by the order, or other contractual requirements. If there is conflict between this standard and the purchase order or contract, then the purchase order / contract shall take precedence.

a)

The processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions).

Refer to the FGL Precision Ltd (FGL) Purchase Order for this information.

b)

The approval of products and services; methods, processes, and equipment; the release of products and services.

Each shipment must be accompanied by one legible copy of a certificate of Conformity (C of C). Material certifications shall show quantitative analysis of each element and physical testing as required by specifications referenced. Traceability for Raw Material is required and shall be retained and provided to FGL with the supplied product. Final acceptance of product will be at FGL after receiving inspection.

c)

Competence, including any required qualification of persons.

The supplier shall ensure that employees and people working on its behalf are competent and trained in accordance with the requirements of the FGL purchase order.

The supplier shall ensure that all activities regarding contract or purchase order are performed by skilled and trained staff including temporary staff and contract staff.

Final test, inspection, and release shall be conducted by operators authorised by the supplier's QMS.

If special processes are conducted operators shall be certified / qualified in accordance with requirements established on drawings specifications and contract or purchase order. These provisions also apply to sub-tier suppliers.

d)

The Supplier's interactions with FGL.

The supplier shall appoint personnel with organizational authority to resolve any issues related to supply. Names and positions of these contacts shall be communicated to FGL when requested. Any information received by the supplier from FGL must be kept confidential and never be disclosed to any third party without the prior written consent of FGL. The proprietary information can include but is not restricted to all versions of electronic data, drawings and documentation, tooling, and materials. The supplier shall not, under any circumstances make a direct approach to FGL customers in relation to agreed business dealings.

e)

Control and monitoring of Supplier's performance to be applied by FGL.

FGL will score Suppliers based on Quality, Delivery, and/or Service. Suppliers will be issued corrective actions as sufficient. Supplier late shipments and corrective actions will be reviewed monthly and at FGL Management review meetings. Suppliers that underperform may receive further Corrective Actions and may be considered for removal from the FGL Approved Supplier List.

f)

Verification or validation activities that FGL, or its customer, intends to perform at Supplier's premises.

FGL and its customers reserve the right to perform verification and/or validation activities at the Supplier's site and if necessary, at supplier's sub tier site.

These activities may include but are not limited to:

- *Supplier conformity to requirements specified in this document.*
- *Supplier's Quality Management System (QMS)*
- *Implementation of any corrective action required.*

QUALITY REQUIREMENTS FOR SUPPLIERS 7.4.5 A

- *inspection of products or verification of services*
- *Inspection and audit*
- *Conformity of product or processes to specified requirements.*

g)

Design and development control.

Design and development control does not apply to FGL Suppliers.

h)

Special requirements, critical items, or key characteristics.

The supplier shall comply with all special requirements, critical items, or key characteristics.

The supplier shall establish, implement, and maintain appropriate methods to control critical items, including process controls and/or inspections, where key characteristics have been identified in the purchase order. The supplier shall validate, and record actions implemented to reduce, mitigate, or monitor critical risk. On request, these actions should be reviewed with FGL. The supplier shall manage its Product Key Characteristics and process Key Characteristics (if any) in line with the purchase order.

i)

Test, inspection, and verification (including production process verification).

Suppliers shall comply, control, perform and document all applicable test, inspection and verification activities including production process verification required to deliver conforming product. (AS9100 Clause 8.4.3)

The supplier will maintain a quality/inspection system that will ensure all goods and services conform to contract requirements whether manufactured or processed by the supplier or procured from sub-tier suppliers and that fully complies with the requirements of AS/EN 9100, or ISO 9001 as specified within the PO.

For calibration purchase orders, all gauges and instruments must be calibrated using standards whose accuracies are traceable to the National Physical Laboratory or other recognised national standards laboratories. All provided calibration certifications must specifically state this traceability.

j)

The use of statistical techniques for product acceptance and related instructions for acceptance by FGL.

For in-process and final inspection, the supplier shall perform 100% inspection for all characteristics, unless reduced inspection through a sampling plan is implemented. The Supplier shall use a sampling plan, consistent with typical industry standards, unless otherwise specified or agreed upon in writing by FGL.

k)

The need to:

- *implement a quality management system.*

When specifically requested by FGL, the supplier will maintain a quality system in compliance to recognized Quality Management Systems and/or approved by FGL.

- *use customer-designated or approved external providers, including process sources (e.g., special processes).*

When required by FGL or by FGL customers, suppliers will use customer-specified sources.

- *notify FGL of nonconforming processes, products, or services and obtain approval for their disposition.*

The supplier shall ensure that products which do not conform to product requirement are identified and controlled to prevent its unintended use or delivery. The controls and related responsibilities and authorities for dealing with non-conforming product shall be defined in a documented procedure including the recall method.

FGL will not accept supplier product that does not meet the purchase order requirements. supplier product discovered after shipment by the supplier to be nonconforming to any purchase order requirement shall be immediately notified to FGL, including the quantity shipped, date shipped, and the extent of the nonconformance. suppliers that receive notification of Nonconforming product shall take appropriate action to contain the nonconforming condition and prevent it from recurrence. The supplier will be notified if formal corrective action is required to be submitted to FGL. The response shall be submitted within 7 days of issue, or a time limit agreed upon between FGL and the supplier. Errors with documentation shall be resolved within 24 hours.

- *prevent the use of counterfeit parts (see also AS9100 8.1.4)*

Counterfeit parts delivered to FGL are deemed nonconforming.

To prevent the purchase of counterfeit or suspect / unapproved products and to ensure product identification and traceability to the original source, the supplier will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation as is appropriate. Material and part substitutions are not allowed. The supplier shall take action to plan, implement and control the prevention of counterfeit or suspect product by

1. *Training*
2. *External provider controls*

QUALITY REQUIREMENTS FOR SUPPLIERS 7.4.5 A

3. *Use of approved sources*
4. *Appropriate flow down to authorised suppliers.*
5. *Monitoring of counterfeit parts reporting from external suppliers*

The supplier shall be liable for costs related to the replacement of counterfeit parts and any testing or validation required after counterfeit parts have been replaced. The supplier shall be responsible for procuring genuine parts or material from its external providers.

Examples of a counterfeit part can include, but are not limited to, the false identification of marking or labelling, grade, serial number, date code, documentation, performance characteristics, or unauthorised rework / repair.

- notify FGL of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain FGL approval.

The supplier shall notify FGL in writing of any changes to processes, products, or services that would affect the product and/or service supplied including change in senior management, ownership, company name, manufacturing facility location, quality approvals, changes in product and/or process, changes of external providers.

- flow down to external providers applicable requirements including customer requirements.

The supplier shall flow down to its external providers all the applicable FGL technical (such as P/N drawing, spec) and quality requirements including FGL customer requirements. FGL and its customer reserve the right of entry to external providers facilities.

The supplier and supplier's sub tier shall use only approved suppliers and/or special processors as per the requirements of the PO.

Unless otherwise specified on the purchase order, the latest specification revision in effect at the time the raw material/parts were originally manufactured or processed shall apply. In the event a document has been superseded, the latest revision of the superseding document shall apply.

- provide test specimens for design approval, inspection/verification, investigation, or auditing.

When requested by FGL or its customers, the supplier will provide test specimens for inspection/verification, investigation, and/or auditing purposes.

- retain documented information, including retention periods and disposition requirements.

All quality records, certifications, test reports, and inspection reports, as well as receiving inspection, in-process inspection, final inspection, and calibration records shall be retained for a minimum of twelve years, unless otherwise specified by FGL. These records will be made available to FGL, FGL's customers, or regulatory authorities upon request. At the expiration of the retention period, the supplier shall obtain written permission /authorisation from FGL prior to the destruction of any quality records related to FGL.

l)

The right of access by FGL, FGL's customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

FGL and FGL's customers reserve the right to perform an on-site inspection of the supplier's facility or visit the facility. FGL will give reasonable notification to the supplier prior to the on-site inspection. The on-site inspection may include surveillance of the supplier's facilities, procedures, production methods, processes, and the supplier's QMS. The supplier shall provide the necessary data as required by applicable purchase orders, specifications, and inspection instructions to facilitate the on-site inspection.

m) ensuring that persons are aware of:

- their contribution to product or service conformity.
- their contribution to product safety.
- the importance of ethical behaviour.

The supplier shall be committed to the highest standards of ethical behaviour. The supplier must comply with the law, honour commitments, act in good faith, and be accountable. The supplier must maintain full compliance with all laws and regulations applicable to the operation of the business and customer relationships. The supplier must not offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to engage in unfair business practices. The supplier will avoid involvement in activities that may be perceived as a conflict-of-interest. Supplier will respect the legitimate proprietary rights and intellectual property rights of customers and suppliers and take action to protect sensitive information, including confidential, proprietary, and personal information. Supplier will support product safety by ensuring robust management of special requirements, critical items, and key characteristics. If there are concerns with respect to product safety, the supplier will communicate them to FGL. The supplier will ensure that employees and people working on its behalf are aware of: • Their contribution to product or service conformity • Their contribution to product safety • The importance of ethical behaviour.