

Robadair Ltd.

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Supplier Quality Requirements

QMSD-1009 Excerpts

7.0 DEFINITIONS

- 7.1 **Quality Clause**
A section of Purchase Order specifying the particular requirements or other condition of the contract that supplier must provide compliance.
- 7.2 **Catalogued Materials/ Products**
These are the materials/ products that are not customized by Robadair Ltd. (or its customer). The suppliers or its sources could be the owners of the design and/ or may have the proprietary rights. These materials/ products can be ordered through catalogues or at supplier's product list at its website.
- 7.3 **Non-catalogued Materials/ Products**
In Robadair Ltd.'s term, these are the materials/ products customized by the company or its customers. Suppliers manufacture the parts per drawings provided by Robadair Ltd. These non-catalogued parts are proprietary owned by Robadair Ltd. or its customers.
- 7.4 **Original Equipment Manufacturer (OEM)**
A company that manufactures products that it has designed and sells those products under the company's brand name.
- 7.5 **Original Component Manufacturer (OCM)**
A company that designs and/or engineers a part and is pursuing or has obtained the intellectual property rights to that part.
- 7.6 **Franchised or Authorized Distributor**
A distributor with which the OCM has a contractual agreement to buy, stock, re-package, sell and distribute its product lines activities essential to deliver outputs and achievement of business objectives.
- 7.7 **Authentic Material**
A material produced with legal right or authority granted by the legally authorized source.

- 7.8 Independent Distributor
A distributor that purchases parts with the intention to sell and redistribute the parts back into the market. Independent Distributors are also referred to as unfranchised distributors, unauthorized distributors and/ or brokers.
- 7.9 Counterfeit Material
A fraudulent material that has been confirmed to be a copy, imitation or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive or defraud.
- 7.10 Fraudulent Material
A suspect material misrepresented to the customer as meeting the customer's requirements.
- 7.11 Suspect Part
Material, items, or products in which there is an indication by visual inspection, testing, or other information that it may meet the definition of fraudulent material or counterfeit material as defined above.
- 7.12 Conflict Minerals
Minerals (tin, tungsten, tantalum and gold) and its derivatives that are mined in the eastern provinces of the Democratic Republic of the Congo (DRC) or in countries adjoining the DRC (the "Conflict Region").

8.0 POLICIES

- 8.1 Robadair Ltd.'s Supplier Quality Requirements (Quality Clauses) are accessible at the company's internet website:
<http://robadair.com/quality-assurance/>
- 8.2 For Robadair Ltd.'s policies on Counterfeit Parts and Conflict Minerals, see section 15.1 Quality Clause A sub-clauses A6 and A7 respectively.

9.0 RESPONSIBILITY

Purchasing Dept. personnel shall include in the Purchase Order terms the quality clause applicable to material/ product for purchase.

10.0 PROCEDURE

Not applicable.

11.0 TRAINING

All Robadair Ltd.'s personnel with assigned responsibilities in this procedure shall be trained in this process. Re-training shall be done when document is re-issued and re-released to a major revision.

12.0 CONTROL OF RECORDS

Any completed forms and records applicable to contents of this document shall be maintained on file and retained per Robadair Ltd.'s documents QMSP-1001 Control of Document and QMSP-1002 Quality Records Matrix.

13.0 MONITORING OF SUPPLIERS PERFORMANCE

When defects or non-conformities are found either at Goods Receiving Dept. or in the manufacturing process, Robadair Ltd. may request Corrective Actions and/ or assist the supplier through Supplier Development in order to resolve the defects/non-conformities.

Robadair Ltd. shall continually monitor supplier performance including quality, delivery, FAI results, Audits and any other appropriate/ relevant metrics.

Where appropriate and when required Robadair Ltd. may audit the supplier's quality systems, processes and product to ensure adequate controls exist to ensure the suppliers ability to meet Robadair Ltd. requirements. In some instances, Robadair Ltd. may use a Supplier questionnaire in lieu of audit at supplier site.

Robadair Ltd. shall, as appropriate, feed back to the supplier any performance measurement that may be relevant to the supplier, i.e. poor performance or excellent rating,

Suppliers with unacceptable levels of performance, may be removed from the Approved Vendors Master List (AVML), and informed of this decision, in writing, stating the reasons for their removal.

14.0 MATERIAL/ PRODUCT CATEGORIES & QUALITY CLAUSE ASSIGNMENTS

Materials/ products have been categorized into two categories and each has been assigned Quality Clauses.

- a) *Catalogued Materials/ Products*

b) *Non-catalogued Materials/ Products*

For Catalogued Materials/ Product, unless further specified in the Purchase Order, the supplier shall use only Quality Clause A.

*For Non-catalogued Materials/ Products, unless other requirements are specified in the Purchase Order, the supplier shall use Quality Clause A **plus** Quality Clause B.*

15.0 QUALITY CLAUSES

15.1 Quality Clause A

A.1 SUPPLIED DOCUMENTATION

The supplier shall provide a Certificate of Conformity (CoC) certifying that the goods meet all specifications, applicable standards, etc. As a minimum, the CoC shall be signed and dated by an authorized Representative or delegate (written or electronic).

Raw Material *suppliers* shall furnish chemical/ physical test reports (MTR) with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, melt, heat, batch, or lot.

It shall be the supplier's responsibility to store all documentation (CoC, test reports, etc.) of the materials procured under Robadair Ltd.'s Purchase Order. Material documentations shall be stored and retained as follows:

- a) Stored such that documents are protected from fire and water damage.
- b) Retrievable within 48 hours.
- c) Stored for a minimum of 11 years.

A.2 SHELF LIFE, MATERIAL CHANGE AND OBSOLESCENCE

The supplier shall ensure that if any shelf life applies to materials, then that material shall be controlled and used in accordance with the relevant specification. Age sensitive material shall be conspicuously labeled with manufactured date and manufacturer's batch/ lot number. Failure to properly label the materials may result in rejection. Material which has exceeded 20% of its useful shelf life shall be subject to rejection.

There shall be NO change in materials or constituents without prior approval from Robadair Ltd.

If the supplier has prior knowledge of any part that has or may become obsolete, they shall pass on to Robadair Ltd. all relevant data, for example:

- a) Part Number
- b) Part Description
- c) Manufacturer
- d) Estimated date of Obsolescence
- e) Quantity in stock
- f) Alternative (if known)

As soon as it becomes apparent that material will be obsolete, the supplier shall inform Robadair Ltd. in writing or by email to the Purchasing and Quality departments, who will then inform Robadair Ltd.'s Engineering Team. Engineering will investigate / liaise with the customer if required, in order to source alternative components/ materials or make a Last Time Buy (LTB).

A.3 CALIBRATION, MEASURING, INSPECTION AND TEST EQUIPMENT

The supplier's laboratory/ calibration system shall comply with the latest revision of ISO/ IEC 17025 or equivalent recognized standard. Inspection, measuring and test equipment shall be controlled, calibrated and maintained per latest revision of ISO 10012 or equivalent recognized standard. The calibration shall be traceable to National or International Standards.

Where measuring, inspection and test equipment are purchased, or outsourced for calibration or repair, or rented on this Purchase Order, the supplier shall provide Certificate of Calibration. The certificate shall include the following:

- a) The description and unique identification of the equipment
- b) The date of calibration
- c) The results obtained
- d) The recommended calibration interval
- e) The designated limits of permissible error
- f) The source used to obtain traceability
- g) Relevant environmental conditions
- h) A statement of uncertainties and their cumulative effect
- i) Details of maintenance or servicing performed
- j) Limitations of use
- k) Identification of person who performed the calibration.
- l) Quality Representative (or designate) stamp or signature
- m) Identification of related calibration certificates or other relevant documents

A.4 STORAGE, PACKAGING AND IDENTIFICATION

All material shall be protected against FOD (Foreign Object Damage/ Debris), corrosion, contamination, deterioration, or other spoilage during storage and transit. All material shall be packed with suitable protection so as to prevent damage through handling in transit, during storage, and prior to use. Packaging shall be in accordance with "best commercial practice" unless otherwise stated. All parts and / or packaging shall be clearly marked with the part number, batch or lot number, quantity and other relevant information.

A.5 RESTRICTION OF HAZARDOUS SUBSTANCE (RoHS)

Where material RoHS compliant is per catalogue or per requirement on Purchase Order, the supplier or distributor shall provide a Certificate of Compliance (CoC) with each shipment of items delivered to Robadair Ltd. The certificate shall state that the manufacturer has performed all required inspections and that the delivered items meet all of the requirements stated. Upon completion of the shipment against the purchase order, the supplier shall retain the C of C and all relevant supporting data on file for a period of eleven (11) years.

- a) Original manufacturer's name, address, telephone number and FSCM/CAGE number
- b) Purchase Order Number
- c) Robadair Ltd., and /or manufacturer's part number, part name, revision and quantity.
- d) Drawing or specification number and revision
- e) Serial number or date code(s) or lot/batch.
- f) Statement indicating that the supplier's parts are RoHS compliant or can be used to build RoHS compliant products.
- g) Application exemptions used, if applicable (any exemptions must still be in effect).
- h) CoC direct reference to European Union (EU) Directive 2011/65/EU or the former 2002/95/EC
- i) Quality Assurance Signature and Date.

A.6 COUNTERFEIT PART AVOIDANCE & ROBADAIR LTD. POLICY

- a) A supplier shall have a counterfeit detection process for all materials/ products that meets the intent, as a minimum, of SAE Standard AS6174, Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Materiel.
- b) Supplier shall flow down the requirements of this provision to its subcontractors and suppliers at any tier for the performance of this Purchase Order.

- c) All materials and products delivered shall be from the Original Component Manufacturer (OCM)/ Original Equipment Manufacturer (OEM).
- d) In the event a material is not directly available from the OCM/ OEM or franchised distributors, purchase from independent distributors may be made but the evidence of supply chain traceability (chain of custody) back to the OCM/ OEM shall be provided. The Certification shall clearly identify the name and location of all of the supply chain intermediaries from the original manufacturer to the final source of the material delivered to Robadair Ltd. Inc.

***Note:** Distributors shall, in addition to the above, include their company's certification (Certificate of Conformity) for each part number shipped.*

- e) If evidence of supply chain traceability (chain of custody) to the OCM/ OEM is not available, the supplier must notify Robadair Ltd. immediately in writing and get authorization to purchase this product.
- f) **Notification:** Should supplier become aware of a confirmed counterfeit material that, by any means, have been or have not been delivered to Robadair Ltd. Inc., or acquired for this contract, notification shall be made as soon as possible but no later than seven (7) days of discovery to Robadair Ltd. Buyer. Seller should verify Robadair Ltd.'s receipt of this notification in writing. Confirmed counterfeit materials are expected to be reported to the Government Industry Data Exchange Program (GIDEP) and applicable US Government investigative authorities not later than 60 days.
- g) Confirmed counterfeit materials shall be segregated from conforming materials and controlled until rendered unusable by physical destruction (for example, cutting of leads and mechanical mutilation).
- h) Supplier shall quarantine suspect counterfeit and/ or suspect counterfeit materials and make these available for investigation by appropriate government authorities.
- i) Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit materials and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts.

Robadair Ltd. has "Zero Tolerance Policy" regarding Counterfeit and substandard parts. If the parts are determined to be counterfeit or substandard, they will be rejected, permanently disabled, payment will be withheld, counterfeit alert will be sent to

GIDEP and supplier may be disqualified from Robadair Ltd.'s Approved Vendors Master List.

A.7 CONFLICT MINERALS & ROBADAIR LTD. POLICY

Suppliers shall not include in any materials/ products sold to Robadair Ltd. Conflict Minerals (tin, tungsten, tantalum & gold and all its derivatives) that are not DRC Conflict Free.

Suppliers shall certify that materials/ products, where applicable, sold to Robadair Ltd. are DRC Conflict Free.

Suppliers should develop their own Conflict Minerals policies and undertake appropriate due diligence in an effort to prevent Conflict Minerals that are not DRC Conflict Free from being included in products they manufacture or sell.

Robadair Ltd. has "Zero Tolerance Policy" regarding the use of Conflict Minerals that are not DRC Conflict Free. Purchased materials/ parts with DRC Conflict Minerals will not be accepted, payment will be withheld and supplier may be disqualified from the Approved Vendors Master List.

15.2 **Quality Clause B**

B.1 QUALITY SYTEM REQUIREMENT

The supplier shall establish and maintain a Quality Management System that complies with International Organization for Standardization (ISO 9000, AS9100, AS9120 or equivalent). Supplier's Quality Management System is subject to verification and audit by Robadair Ltd. designated representatives.

B.2 QUALITY ASSURANCE REQUIREMENT

Robadair Ltd., its customers and government/ regulatory representatives reserve the right to carry out inspection and auditing of the Supplier's Quality Management System, products and processes associated with the purchase order requirements. The supplier shall ensure proper assistance and reasonable access, if so required to Robadair Ltd., its customers and government/ regulatory representatives.

B.3 CONTROL OF NON-CONFORMING MATERIAL

Any nonconformity discovered by the Supplier, on materials or products in their control, shall be documented by the organizations' approved method of nonconformity reporting. This shall include a detailed description of the nonconformity; location (by drawing reference point, hardware reference point, clock location, etc.); and exact callout of the violation by drawing or specification requirement (including subparagraph or illustration number). It shall also list what type of inspection revealed the discrepant condition, and what, if any, subsequent actions were taken prior to disclosure. Dimensional violations shall include "should be" and "is" dimensions, and tool(s) calibration traceability numbers.

B.4 MATERIAL REVIEW BOARD (MRB) AUTHORITY

MRB Authority is held by Robadair Ltd. on this Purchase Order. The supplier shall request Robadair Ltd. to conduct a MRB action for any non-conforming material, which cannot be reworked or repaired by the supplier to meet, in all respects, the purchase order requirement. The request shall be signed by the supplier's Quality Manager or other authorized official. The request shall provide cause and corrective action and other appropriate data needed for the review. The request may be made to Robadair Ltd.'s Quality Manager or Quality Engineer.

B.5 SUPPLY CHAIN TRACEABILITY

All materials and components used shall be traceable back to their source, i.e. where they were purchased from, batch numbers or lot traceability. Supplier shall have a process control over their material supply.

In the event of any issues or concerns, this gives the ability of identifying where any suspect parts were fitted and how many and what impact it may have on goods supplied.

B.6 THIRD PARTY SUB-CONTRACTORS AND FLOWDOWN OF REQUIREMENTS

Supplier for this Robadair Ltd.'s Purchase Order only, may sub-contract any work on the ordered part, to organizations that have been approved by them. This process and approval controls shall be fully documented stating criteria for acceptance, scope of approval, length of approval etc.

The supplier's Quality System shall assure all relevant Purchase Order requirements are flowed down to their sub-tier suppliers. The supplier's sub-tier suppliers are responsible to comply with the same specifications and requirements specified on this Purchase Order. The supplier shall flow

down to the supply chain the applicable requirements including customer requirements.

B.7 ITAR FLOWDOWN

Where the Purchase Order falls under the regulations of ITAR (International Traffic and Arms Regulations), all suppliers shall abide to its requirements. All license requirements imposed by ITAR are the sole responsibility of the supplier (and its sub-contractor) in possession of the Purchase Order.

B.8 ENGINEERING STANDARDS

Where appropriate, the supplier shall be responsible for all Environmental, Health & Safety requirements. The supplier shall use the appropriate engineering standards including recognized Best Practice techniques and process controls.

B.9 FIRST ARTICLE INSPECTION (FAI)

The supplier shall perform a First Article Inspection (FAI) when any of the following occur:

- a) The first time material is provided (full FAI)
- b) A drawing change (partial FAI for affected features/ characteristics)
- c) A change in manufacturing source, process, inspection method(s), location of manufacture, tooling, materials, NC programming (full FAI)
- d) FAI is required if there is an extended gap of time (one year) since last production

The First Article Inspection shall be performed per AS9102 as a guide line. The supplier shall notify (at least 5 days in advance) Robadair Ltd. that the first article inspection will be tentatively done on specified date and FAI Report be ready for Robadair Ltd. verification and approval. Items are not shipped until supplier FAI is approved by Robadair Ltd. Quality.

The FAI requires that all features and key characteristics on the design specification and control plan be inspected and verified prior to Production. Actual measured values shall be recorded as opposed to general statements of conformity or other notations simply indicating acceptance. Objective evidence of a first article inspection report or validation shall be provided with the shipment. Where applicable, this evidence shall include CMM measurements of Critical to Quality (CTQ)

parameters or Key Characteristics as identified on the Robadair Ltd. drawing.

All CTQ or key characteristics must be compliant with the drawing data unless previous approval has been given by Robadair Ltd.

If CTQ parameters or key characteristic are not identified on the drawing then the supplier shall contact Robadair Ltd.'s Quality Manager for directions.

B.10 CHANGES TO SUPPLIER'S ORGANIZATION

Any changes relating to the following items shall be immediately communicated to the Robadair Ltd. Quality Manager.

1. Quality Manager or named person responsible for quality
2. Authorized signatories
3. Approvals issued by third parties
4. Changes in location, facilities, major changes in processes and equipment
5. Changes in the organizational structure
6. Any changes that may impact on product realization

B.11 NADCAP REQUIREMENT

Companies carrying out analysis and/or testing in support of Robadair Ltd.'s Chemical Processing system must conform to one of more of the following criteria for the scope of analysis and testing carried out:

- Nadcap accredited for AC7101/1 (Material Testing Laboratories) and applicable slash sheets
- Nadcap accredited to AC7108/4 (Solution Analysis and Testing in Support of Chemical Processing to AC7108)
- Accredited by a registration body recognized by Nadcap's Materials Testing Laboratories Task Group
- Approved by Prime customer(s) for laboratory analysis (see AC7108 Para 3.5.2)

B.11 PRODUCT/SERVICE CONFORMITY REQUIREMENT

The supplier shall be aware of their contributions to product/service conformity. These contributions may include:

- Individual accountability
- Compliance to process

- Understanding requirements
- Compliance to process
- The need to control changes
- Reporting nonconformance

B.12 SAFETY AWARENESS REQUIREMENT

The supplier shall be aware of their contributions to product safety. These contributions may include:

- Individual accountability
- Compliance to process
- Attention to detail
- Knowledge of product end usage
- Potential impact relating to product issues

B.13 ETHICS REQUIREMENT

The supplier shall be aware of the importance of ethical behaviour. Suppliers may incorporate aspects listed below to meet this requirement:

- Code of conduct
- Management/employee working relationships
- Fair treatment
- Employee work recognition
- Confidential reporting mechanisms
- Protecting anonymity
- No blame culture