

PHOENIX PRODUCTS, INC. PURCHASE ORDER QUALITY ASSURANCE PROVISIONS

PURPOSE

This document is to provide Phoenix Products, Inc. (PPI) Suppliers with Quality Assurance Provision(s) applicable to procured materials/products/services ordered under all Purchase Orders, Contracts or Sub-contracts.

DEFINITIONS AND ABBREVIATIONS

- 1) P.O – Purchase order
- 2) Supplier – The company and/or corporation providing goods/services to PPI.
- 3) Contract – The Contract, Sub-Contract, Purchase Order or other written agreement between PPI and the supplier.
- 4) Product – A product shall include, but not limited to:
 - a. Services
 - b. Software
 - c. Processed material or combination thereof
 - d. Raw material
 - e. Manufactured parts, assemblies or sub-assemblies
 - f. Fasteners –nuts, bolts, washers, etc.
- 5) NIST – National Institute of Standards and Technology.
- 6) DoD- Department of Defense
- 7) DCMA – Defense Contract Management Agency

PHOENIX PRODUCTS, INC.

PURCHASE ORDER QUALITY ASSURANCE PROVISIONS

GENERAL REQUIREMENTS

Unless otherwise specified in the Contract, all of the following general requirements apply to a Contract and/or Purchase Order issued to a Supplier by PPI.

QR1 - Notification of Non-Conforming Product

Supplier must notify PPI in writing of any Non-Conforming Product planning to be shipped to PPI prior to shipment.

QR2 - Non-Conforming Product Disposition

Supplier must obtain written PPI approval for Non-Conforming Product disposition prior to shipment of non-conforming product to PPI.

QR3 - Notification of Product and/or Process Change

Supplier must notify PPI in writing of any changes in products and/or processes, changes of Suppliers, changes of manufacturing location. Supplier must obtain approval of these changes prior to work performed.

QR4 - Requirement Flow Downs

Supplier will flow down all applicable requirements from PPI through the Supplier's supply chain.

QR5- On-Time Delivery Requirements

PPI expects 100% on time delivery. Deliveries are considered on time if the required product, as specified on the PO, is received on due date or earlier. Delivery and Quality Performance will affect the Suppliers rating. The Supplier shall notify PPI before the delivery date whenever a delivery date will not be met. Applicable documents such as, packing lists, certification of conformance, certificate of analysis, material safety data sheets, etc., shall arrive with or prior to receipt of the shipment.

QR6 - Supplier Quality System

The Supplier shall establish and maintain a quality system to the requirements of ISO 9001, AS9100 or an equivalent PPI approved quality system. The Supplier's Quality System shall be approved by PPI and is subject to review and approval at all times by PPI. The Supplier retains full responsibility for ensuring that all products, lower-tier Suppliers, supplies used, and/or services furnished hereunder, comply with all applicable requirements of ISO 9001, AS9100 or equivalent approved Quality System. A copy of Supplier's ISO 9001, AS9100 or equivalent

PHOENIX PRODUCTS, INC.
PURCHASE ORDER QUALITY ASSURANCE PROVISIONS

registration shall be sufficient for compliance to this Supplier Quality Requirement and shall be supplied to PPI when the registration is renewed.

QR7 - Purchase Order Receipt and Verification

The Supplier shall verify all POs issued by PPI upon receipt. Any discrepancies in price, quantity, specifications, quality requirement, packaging, or delivery requirements shall be communicated to and resolved with PPI purchasing before taking action on the PO. Upon acceptance and during the performance of the PO, all Supplier sub-tier Suppliers shall have the Quality Clauses flowed down to them as issued on the PO. These requirements are to include key characteristics as identified on the PO.

QR8 - Right of Entry

PPI, PPI's customer(s) and any regulatory agency shall have "Right to Access" to the supplier facility and quality records for the purpose of audit, surveillance and/or verification of quality of work, documentation or material. The Supplier shall flow-down this requirement to their supply chain. If PPI's Customer flows down a "Right to Access" FAR clause, PPI will include it on the PO.

QR9 - Retention of Records

The Supplier shall maintain records for review by PPI, customer(s)/regulatory agency for minimum of seven (7) years (unless otherwise specified). Records shall include material certification, special processing, work order/traveler, test reports, inspection reports, calibration records and first articles.

QR10 - Handling, Packaging, Preservation and Delivery

The Supplier shall use appropriate methods of handling, packaging, and preservation to prevent damage of product in process and during delivery.

QR11 - Change Notification

Suppliers are required to notify PPI in writing prior to any proposed process or product changes. Facility locations and ownership changes must also be reported to PPI in a timely manner.

PHOENIX PRODUCTS, INC.

PURCHASE ORDER QUALITY ASSURANCE PROVISIONS

ADDITIONAL QUALITY ASSURANCE PROVISIONS

The following Quality Assurance Provisions may be required by PPI. If required, the corresponding QR code will be listed on Contract and/or PO.

QR20 – Source Inspection

PPI source inspection must be conducted at the Supplier facility prior to shipment. When the PO items are ready for inspection, the Supplier shall notify the PPI purchasing agent seven (7) working days prior to the date on which the parts will be ready for source inspection. All non-conforming material or parts shall be properly segregated from the acceptable material or parts presented for source inspection. Drawings and/or other pertinent data as required by PO must be available to the PPI quality representative at the time the product is presented. Acceptance at source does not relieve the Supplier from responsibility for the quality of delivered product.

QR21 - Government Source Inspection

During the performance of this contract and /or PO, the Supplier's Quality System and manufacturing processes are subject to review, verification, and analysis by authorized government representatives (DCMA, DoD). Government inspection or release of product prior to shipment is not required unless you are otherwise notified.

QR22 - Certificate of Conformance

Each shipment of material under this PO must be accompanied by a certification of conformance that verifies compliance with applicable specifications on drawing or PO for each lot/batch number for traceability. Certification shall be dated and signed by a responsible individual whose signature can be considered binding on your company. Failure to include the certification with your shipment may classify your product as non-conforming resulting in the return of the material at your expense.

QR23 – Chemical/Physical Material Test Reports

A Chemical/Physical test report is required for this PO. It shall reference chemical composition and/or physical properties, lot/batch number, list the parameters tested, the results obtained. It shall be signed by the Materials Suppliers Authorized Quality Representative, and indicate the Representative's title. Failure to include these test reports with your shipment may classify your product as non-conforming resulting in the return of the material at your expense.

PHOENIX PRODUCTS, INC.

PURCHASE ORDER QUALITY ASSURANCE PROVISIONS

QR24 – Calibration of Equipment

A calibration system in conformance with ANSI/NCSL Z540-1 and/or ISO 17025 must be maintained that is traceable to NIST and provides identification of calibration status. Adequate process controls, records, and certifications shall also be sufficiently maintained to satisfy PO requirements. A "Certificate of Calibration" traceable to each item furnished by PPI for calibration is required with your return shipment to PPI. Each Certificate must contain the gage/equipment name and/or number, test method and tolerance of approval. If a gage requires repair, PPI must be notified prior to repair/calibration.

QR25 – Certified Inspection Reports

The Supplier shall include with each shipment a certified inspection report that contains drawing, revision, inspection results for 100% of characteristics identified in the engineering drawing for the entire lot of parts being shipped and serial numbers (where applicable). The inspection report shall list the actual ranges of measured characteristics for that lot of parts only. Inspection records adequate to assure the Quality level of production process shall be maintained by the Supplier. Failure to include data with your shipment may classify your product as non-conforming, resulting in the return of the material at your expense.

QR26 – First Article Inspections (AS9102)

A detailed first article inspection report is required and shall be compliant to AS9102 requirements. The report must be furnished with first shipment of the product to PPI for verification, unless otherwise specified. The first article report and the part used should be packaged separately, clearly identified, and shipped with production parts on the first delivery of a new product. The FAI shall be updated (Delta FAI) when changes occur to any of the following:

- Part number configuration, method of production, to include new process equipment
- Tooling, measuring equipment, and/or process flows, and/or facility re-location
- Change in location of machinery or applicable equipment (i.e. unplug equipment and relocate to new area within the facility) a lapse in production for two years or a natural disaster, such as fire, flood or earthquake.

QR27- First Piece Inspection

Supplier must perform mandatory first piece inspection for each line item article on this PO prior to producing the remaining balance of the line item. All first piece inspection data must be

PHOENIX PRODUCTS, INC.

PURCHASE ORDER QUALITY ASSURANCE PROVISIONS

sent with parts to PPI for approval. PPI will notify Supplier in writing of approval to proceed with production of the remaining parts.

QR28 – Sikorsky Aircraft Approved Source

The special process or material listed on the PO requires the Supplier to be a Sikorsky Aircraft Approved Source. PPI maintains a current copy of the Sikorsky Aircraft Approved Source List. If Supplier is no longer approved by Sikorsky Aircraft for the process and/or material listed on the PO, notify PPI upon receipt of PO.

QR29 – Sikorsky Aircraft Parts

The parts listed on the PO are for Sikorsky Aircraft. The following information is required on all process certificates of conformance:

- Part name
- Part Number with Revision
- Drawing Number with Revision
- Process Specification with Revision
- List of Serial numbers processed (If Applicable)
- Certificate must state “PARTS ARE FOR SIKORSKY AIRCRAFT”

The PO will provide this information listed above. If information is not listed on the PO upon receipt of parts, notify PPI purchasing to obtain an updated PO.

QR30 – Sampling Inspection

Sampling inspection is allowed per ANSI/ASQ Z1.4 or MIL-STD-1916 – AQL 1.0 may be used except C=0. (No defects allowed, reject on 1).

Sampling Levels based on dimension characteristic:

- Minor Characteristics – Level 2
- Major Characteristics – Level 3
- Critical Characteristics – 100%

Otherwise all parts shipped shall be one hundred percent (100%) inspected. Sampling plans shall be submitted for PPI for its customer to approve prior to implementation. All inspection data must be provided with or prior to the delivery of parts to PPI.

PHOENIX PRODUCTS, INC.
PURCHASE ORDER QUALITY ASSURANCE PROVISIONS

QR31 – 100% QC Inspection

The Supplier shall perform 100% inspection of all parts. All inspection data must be provided with or prior to the delivery of parts to PPI.

QR32 – Prevention of Counterfeit Parts

The Supplier shall have a program for the prevention of counterfeit parts.

QR33 – The Supplier Shall Ensure all Employees Working on Phoenix Products Orders are Aware Of:

- Their contribution to product or service conformity.
- Their contribution to Product Safety.
- The importance of Ethical Behavior.