



Sohacki Industries Inc. Purchase Order Quality Requirements

Supplier Basic Quality Requirements

In accepting Sohacki Industries Incorporated's (SII) Supplier Quality Requirements, Suppliers agree to participate in Sohacki Industries supplier quality and development programs, to comply with all quality requirements and procedures specified by SII and those requirements applicable to the supplier's third-party registered management system. Failure to comply with any requirement may be cause for rejection of the material and/or processing of the material included in the Purchase Order (PO). Corrective Action Requests for product and system issues may be required from the Supplier. Failure to respond in a timely and effective manner may result in removal of the Supplier from the SII Approved Supplier List, purchase hold, or source inspection.

Mandatory Clauses

When standard purchase orders Quality Clauses are references in the PO, Clauses 1 through 13 apply for direct material purchases or direct material outside processing.

Basic Quality Clauses

1. Quality System Requirements

All suppliers of production materials, production or service parts, or heat treating, plating, painting or other finishing services supplying directly to SII shall be registered to ISO-9001 as a minimum. Copies of new or renewed ISO, NADCAP, 17025, A2LA and/or AS registration certificates shall be delivered to SII Purchasing Department upon any renewals. Suppliers not registered to appropriate ISO-9001, 17025, NADCAP, A2LA or AS-9100 must include an outline of their registration attainment plan with their quote for further business and fill out the Sohacki long form Supplier Questionnaire.

New supplier assessments will be made by SII on the basis of receipt of a copy of current registration certificate(s), plans for completion and registration to an ISO, AS or other quality management systems registration, and/or Sohacki long form Supplier Questionnaire or on-site visit(s) by SII management. Upon successful completion of the above requirements the supplier will be added to the SII Approved Supplier List.

Suppliers and sub-suppliers shall not make any unauthorized changes to products (material, parts, components, process) used to produce a product supplied to SII. This includes product and process safety and any changes to production control plans. If a change is necessary, the supplier shall notify SII of their intentions to change a product or process. Communications shall include a timing plan and quality plan, and suppliers shall gain approval from SII prior to making any such change. Container labeling of affected product shall clearly reflect that product contained is to a new revision level. Suppliers who fail to comply with these fundamental requirements shall be placed on new business hold and shall be liable for all damages, losses and liabilities associated with such a change. A change in perishable tooling is considered to be part of normal maintenance practice and therefore does not require a change notification and approval.

Suppliers registered to a quality or other standard (ISO, AS, A2LA, etc.) must comply with the requirements of the certifying body that issued their registration, and must notify SII immediately if their registration is lost, suspended, or surrendered. Unless authorized in advance, no non-US manufacturing facilities may be used in the production of parts for this PO.

2. Control of Testing and Measuring Equipment (T&ME)

A documented program shall be established and maintained to ensure that tools, gauges, instruments and other measuring/testing equipment used in the inspection of goods are controlled, calibrated and adjusted at a stated frequency to maintain accuracy within specified limits. The T&ME used by the Supplier shall have current calibrations that are traceable to the National Institute of Standards and Technology (NIST) or equivalent standard.

3. Quality and Inspection Records

Quality and Inspection Records must be maintained for a period of ten (10) years minimum unless otherwise stated in the PO, and shall be made available for examination by SII upon request.

4. Compliance to Purchase Order Requirements

Objective evidence validating the conformance of purchased items or services to PO requirements shall be kept on file for a period of ten (10) years and shall be made available for SII examination upon request.

5. Certificate of Conformance (COC)

The Supplier shall furnish with each shipment a separate and specific COC (or equivalent such as Certificate of Processing or Certified Test Results or Certified Calibration Report). This document shall be on company letterhead and signed by the Quality Manager or responsible company official. This document shall state that the articles were manufactured, inspected and/or tested in accordance with the PO, specifications and/or drawings as applicable. The COC shall include

The following information:

- a. Purchase Order number
- b. Purchase Order Revision (if applicable)
- c. Heat Number (if applicable)
- d. Drawing Number and Revision (if applicable)
- e. Description of Part or Service provided
- f. Serial Number(s) of Parts (if applicable)
- g. Type of Material
- h. Number of Parts or Quantity of Material provided
- i. Specification Number and Revision (if applicable)
- j. Process Performed (if applicable)

6. Traceability

The supplier shall identify product by suitable means throughout their internal processes, including manufacturing processes, ensuring traceability to raw material lot numbers, purchased components and manufacturing, inspection and test records. For outside

services such as heat treating, material testing, analysis or inspection, calibration, plating and painting, the product identification and traceability must remain intact throughout the suppliers' process. If product is transferred into different containers, then all lot control information must be transferred and maintained.

The Supplier shall ensure that the identification of material, components, parts, samples and/or Sohacki Industries owned equipment is maintained upon receipt.

The Supplier shall maintain continuous control throughout fabrication, testing or calibration. The material identification, traceability and current status shall be with the material at all times, and can be accomplished by use of a follower, routing card or equivalent method. Material identification shall provide easy traceability to receiving inspection reports, purchase orders, specifications, drawings and other documented data.

7. Identification and Shipping

The Supplier shall ensure that all items shipped under this PO are adequately packaged to prevent damage, contamination or deterioration. The Supplier shall use best commercial shipping practices. Material shipped to SII as a minimum shall be identified with the Part Number (if applicable) and PO number on the outside of the shipping container.

Additional marking and/or identification shall be required by specification, drawing or Purchase Order.

8. Deviation and Discrepancies

All suppliers are expected to supply products to SII with zero defects and in accordance to schedule and/or order requirements. Parts shall meet all engineering specification requirements and function with no abnormalities according to fit, form or function. Post shipping discovery of any deviations that affect testing, inspection and/or calibration results must be reported in writing to the SII Purchasing Department. This also applies to any previously unknown deviations that affect results already submitted to SII.

The meeting of engineering, quality requirements and on-time-delivery are monitored by SII. Any deviation from these requirements can result in a corrective action request (CAR) being issued to the supplier that must have at least an action plan completed within 30 days. Sohacki Industries performs regular tracking of on-time deliveries and nonconforming material concerns. Corrective action requests using the 8-D format will be used to determine initial actions, root cause, permanent corrective action, verification, and prevention actions taken to prevent reoccurrence for any defects in materials found. On-time-delivery from suppliers is critical so that SII meets their customer delivery requirements. If for any reason the supplier is unable to fulfill the schedule requirements, then the supplier shall immediately inform the SII representative that issued the schedule to determine and agree the actions required to ensure continuity of supply.

9. Required Specifications

The Supplier is responsible for obtaining all specifications needed to complete the Purchase Order. SII on request will furnish and flow down any SII specifications needed and may assist in obtaining any other specifications required. All materials or services supplied to a specification must meet the latest published revision of the issuing agency unless otherwise specified in the PO.

10. Resubmitted Material

Any material rejected by SII and resubmitted by the Supplier must be clearly identified as such on the shipping document. The Supplier shall reference the SII rejection document and make available upon request the evidence that the initial cause for rejection has been corrected.

11. Right of Entry

SII shall have the right to enter the supplier's facility at reasonable times and at any location to inspect the facility, quality of work, materials and any property of SII covered by contract. SII's inspection of goods whether during manufacturing, prior to delivery or within a reasonable time after delivery shall not constitute acceptance of any work-in-progress or finished goods.

12. Sohacki Industries Inc. Receiving Inspection

Parts will be subject to receiving inspection of all characteristics, including prevention of counterfeit parts and foreign object debris (FOD) control. Material that does not conform to specification will be returned at the Supplier's expense for replacement. Latent defects not discovered during source inspection or receiving inspection, but disclosed during assembly or use shall be cause for rejection and replacement.

13. Buy American

The Supplier and/or subcontractors will abide by the Buy America Act. Unless authorized in advance, no non-US manufacturing facilities may be used in the production of parts for this PO.

Specific Quality Clauses

Clauses 14 through 36 apply only when specifically referenced on the Purchase Order.

14. Quality Systems – Aerospace

The Supplier shall provide and maintain a Quality Management System (QMS). The QMS shall comply with the latest revision of ISO 9001 Quality Management Systems and/or AS9100 QMS Aerospace Requirements. Suppliers registered to the AS9100 standard must comply with the requirements of the certifying body that issued their registration, and must notify SII immediately if their registration is lost, suspended, or surrendered.

15. Sohacki Industries Inc. Source Inspection

Source Inspection Acceptance by SII shall not be construed as evidence of effective control of quality by the Supplier and shall not absolve the Supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by SII or its customers.

16. Chemical/Physical Test Reports

A copy of the actual chemical and physical test report shall accompany material delivered under this Purchase Order, as required by the applicable material specifications.

17. Test/Inspection Analysis

Certified test data or a copy thereof on the testing organizations letterhead shall be supplied with each shipment. This report must contain factual information necessary to demonstrate conformance to the requirements reflected in the applicable specification, on the drawing, special characteristics called out in the drawing or in the PO. These test data shall show quantitative requirements and permissible tolerances for all values measured versus quantitative test results. Statistical data may also be required as per the SII PO. Certificates of tests/analyses shall indicate the specification, revision level, type of test performed, total quantity tested, total quantities accepted and rejected.

All suppliers are expected to supply products to SII with zero defects and in accordance to schedule and/or order requirements. Parts shall meet all engineering specification requirements and function with no abnormalities according to fit, form or function. Post shipping discovery of any deviations that affect testing, inspection and/or calibration results must be reported in writing to the SII Purchasing Department. This also applies to any previously unknown deviations that affect results already submitted to SII.

18. Information for External Suppliers

Purchasing information shall describe to external providers the requirements of the product to be purchased, including, where appropriate;

- a) requirements for processes, products and services to be provided, including technical data, specifications, drawings, process requirements, work instructions,
- b) the approval of
 1. products and services,
 2. methods, processes and equipment,
 3. release of products and services,
- c) requirements for competence and qualification of personnel,
- d) the external providers interactions with the Sohacki organization,
- e) control and monitoring of the external providers performance,
- f) verification or validation activities to be performed at the external providers location,
- g) (Sohacki does not perform design and development),
- h) special requirements, critical item or key characteristics,
- i) test, inspection, verification (including production process verification,
- j) use of statistical techniques for product acceptance, and related instructions for acceptance by SII,
- k) the need to:
 - implement a quality management system,
 - use customer designated or approved external providers, including process sources and special processes,
 - notify SII of nonconforming processes, products or services and obtain approval for their disposition,
 - prevent the use of counterfeit parts,
 - notify SII of changes to processes, products or services including changes of their external providers or location of manufacture, and obtain SII approval,
 - flow down to external providers applicable requirements including customer requirements,

- provide test specimens for design approval, inspection/verification, investigation or auditing,
 - retain documented information, including retention periods and disposition requirements,
- l) the right of access by SII, their customer and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain,
- m) ensuring that persons are aware of:
- their contribution to product or service conformity,
 - their contribution to product safety,
 - the importance of ethical behavior.

Sohacki Industries shall ensure the adequacy of specified purchase requirements prior to their communication to the supplier.

19. First Article Inspection Required

A First Article Inspection Report shall be submitted to and accepted by SII prior to the first production shipment. First Article documentation shall include, at minimum, actual dimensions for each drawing characteristic, special characteristics, date performed, Purchase Order number, inspector signature/stamp, and the unique marking that identifies the sample part. Many components manufactured by SII are aerospace or Department of Defense components and are critical in nature. SII uses the Failure Mode and Effects Analysis (FMEA), Production Part Approval Process (PPAP), Measurement Systems Analysis (MSA), and Statistical Process Control (SPC) in these cases and may require additional documentation from their suppliers.

20. Qualification Lot Required

A Qualification Lot and Inspection Report for production material shall be submitted to and accepted by SII prior to the first production shipment. Qualification Lot documentation shall include, at a minimum, actual dimensions for each drawing characteristic for each part in the Qualification Lot, date performed, Purchase Order number, inspector signature/stamp, and the unique marking that identifies the Qualification Lot. The Qualification Lot size shall be defined in the SII PO.

21. SII Approved Processes

Prior to fabrication, a manufacturing Process Control Plan or router shall be submitted to SII for review. The Control Plan shall list, in sequence, the manufacturing and special process operations to be performed and all inspections and tests that will be conducted. SII must approve the plan and any subsequent changes prior to implementation.

22. NADCAP Approved Processes

Suppliers who perform special processes such as Heat Treating, Welding and Non-Destructive Testing are required to maintain a NADCAP accreditation for those processes.

23. 10CFR21

Title 10 of the Code of Federal Regulations, Part 21 (10CFR21) Reporting of Nonconforming Material and/or Service is applicable to this order.

24. SII Supplied Material

SII may supply material at no cost to Supplier in the form described in the PO. Supplier must maintain strict control of material and use only material furnished by SII. Substitution of other material by Supplier is strictly prohibited. Heat traceability (or serial number traceability) is required.

25. SII Owned Property

All material of every description supplied by SII and any replacement thereof, remain the property of SII. Such property, whenever practical, shall be plainly marked or otherwise identified by the Supplier. Supplier shall not substitute any property for said material in filling the PO. If stated in the PO, all scrap resulting from the utilization of said material will be delivered to SII before and/or with the final shipment of the PO. Turnings, shavings, saw and grinding dust are excluded from accountability.

26. Contamination Control for Stainless Steel and Nickel-Based Alloys

Starting material, components being manufactured, or products being inspected shall not come in direct contact with unhardened carbon steel, low alloy steel (steel having less than 5% alloying elements), zinc, tin, compounds containing halogens, cadmium, mercury, gallium, lead, arsenic, antimony, aluminum, or bismuth. Furthermore, no item shall contain any mercury in excess of trace amounts considered to be negligible. If oils containing halogens are used during fabrication of nickel-based alloys, the oils shall be removed from the component using a suitable cleaning process. Certification shall include a statement of compliance to this requirement.

27. Non-Destructive Testing

Penetrant and developer materials shall have sulfur and halogen less than 0.5% by weight. Certificate of Conformance shall include a statement on compliance to this requirement. Do not ink stamp parts.

28. Calibration Services

Suppliers providing calibration services shall comply with NIST or other national or international standard. As-Found conditions must be reported as part of the certificate of calibration or as accompanying data. Where relevant, a statement of the estimated uncertainty of the calibration result shall be reported. Calibration service suppliers must provide recall labeling and a certificate of calibration with traceability to NIST.

29. Laboratory Testing Services

Laboratory testing service suppliers shall identify the procedure or method used, including revision number, the sample identification, material type, actual results and a statement of compliance or noncompliance to requirements. Laboratory testing service suppliers shall be accredited per ISO/IEC 17025 latest revision.

30. Heat Treat Services

Heat Treat service suppliers shall provide objective evidence (chart or digital readings) that heat treating was performed in accordance with PO requirements.

31. Subcontractors

The Supplier shall provide to SII a list of all subcontractors who perform a process, inspection or test on materials or parts for this PO. The Supplier shall only use subcontractors who have been approved by SII.

32. DFARS

Supplier shall provide material in compliance with DFARS 252.225-7014. The origin of the material shall be from a qualified country in accordance with DFARS 255.872-1.

33. DPAS

Supplier will take note of and abide by any DPAS code listed on purchase orders.

34. Country of Origin

The country of origin of raw material supplied shall be indicated on the Certificate of Conformance.

35. ITAR/EAR

This purchase order may contain and/or reference documents containing information subject to the International Traffic in Arms Regulation (ITAR). Suppliers may not export, release or disclosed such information to foreign nationals without first complying with export license requirements of ITAR.

36. Chemical Process Changes

Any changes in chemicals and/or chemical processes must be approved by SII.

37. Terrorism Sanctions

Supplier will adhere to the directions provided in Executive Order (EO) 13224 for terrorist financing. This order authorizes the U.S. government to block the assets of individuals and entities that provide support, services or assistance to, or otherwise associate with terrorists and terrorist organizations.

Confidentiality and Non-Disclosure Agreement

Due to the nature of the type of products made and differing customer requirements, suppliers will need to complete a Confidentiality and Non-Disclosure Agreement before their suitability is finalized as an approved Sohacki Industries Inc. supplier.

Ethical and Legal Business Practices

Sohacki Industries, Inc. expects the highest standard of ethical conduct and fair dealing from each employee, officer, director, volunteer and all others associated with the Company. Our reputation is a valuable asset, and we must continually earn the trust, confidence and respect of our suppliers, our members, our customers and our community. External providers should be guided by basic honesty and good judgment, and be sensitive to others' perceptions and interpretations. All activities are to be conducted in compliance with the letter and spirit of all laws and regulations.

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