

Sohacki Industries Inc.

Supplier Quality Requirements

Supplier Basic Quality Requirements

In accepting Sohacki Industries Inc'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. In addition, SII shall have the right to enter the supplier's facility at reasonable times to inspect the facility, goods, 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.

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.

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.

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.

Sohacki Industries inc 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.

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), Measurement Systems Analysis (MSA), and Statistical Process Control (SPC) in these cases and may require additional documentation from their suppliers.

Parts and assemblies manufactured by SII are made to Department of Defense and aerospace specifications. These specifications can include but are not limited to Defense Federal Acquisition Regulations Supplement clause 252.225-7014 “Preference for Domestic Specialty Metals” and Alternate 1 (DFARS), and the SAE aerospace standard AS-9100D.

Supplier Control

Where specified by contract, the supplier shall purchase products, materials or services from approved sources. The use of SII’s sources does not relieve the supplier of the responsibility for ensuring the quality of purchased products. The supplier shall establish the inspection or other activities necessary for ensuring that the purchased product meets specified purchase requirements, including regulatory requirements. Suppliers shall promote sub-supplier monitoring of the performance of their manufacturing processes. SII reserves the right to visit sub-suppliers.

A certificate of compliance, material certification and/or other required documents shall accompany any material shipment or shall be emailed or faxed at or before the time of delivery to SII when called for on the Sohacki Purchase Order. Certificates of conformance shall be maintained on file at the supplier site and made available to SII upon request. The certificate of conformance must contain the actual physical test results and/or material analysis of the product being supplied.

Identification and Traceability

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

For outside services such as heat treating, plating and painting, 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.

Schedule

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.

Supplier Change Request

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 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.

Product or Process Deviation

Under extenuating circumstances requests for deviations shall be submitted to SII. This request will be reviewed by SII management for use in the SII manufacturing process. If a deviation is approved it shall only extend to specified quantity or time period stipulated. Any parts received outside of the deviation that do not conform to specifications shall be rejected.

Continuous Improvement

Suppliers shall continually improve the effectiveness of their quality management systems and manufacturing processes. Objectives and targets derived from the company business plan can often be used to show continual improvement. Improving manufacturing processes so that process capability (Cpk) is enhanced can also constitute continual improvement. Actions taken to regain previous levels of performance are considered to be corrective actions and cannot be shown as continual improvement.

Record Retention

Suppliers are required to maintain purchase orders and amendments, re-qualification and validation records, tooling, maintenance, traceability, engineering and inspection records providing evidence of conformity to requirements for a minimum of ten (10) years unless otherwise specified by SII. Corrective and preventive actions and their supporting data shall be maintained for three years. All records shall be stored, protected and retrievable upon request.

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.

Supplier Communications

Suppliers will:

1. Notify SII of nonconforming product;

2. Obtain approval for nonconforming product disposition;
3. Notify SII of any changes in product and/or process, change of sub-tier suppliers, changes of manufacturing facility location, and obtain SII approval before-hand;
4. Flowdown SII's requirements to sub-tier supply chain organizations.

Right of Access

Sohacki Industries inc reserves the right of access, including our customers and regulatory authorities, to the applicable areas of all facilities, at any level of the supply chain involved in the order and to all applicable records.