



11831 Beverly Park Road, Bldg A  
 Everett, WA 98204  
 (425) 423-8388 Fax (425) 423-8398

## Qualitel Supplier Quality Terms & Conditions

### INTRODUCTION

For Qualitel to best serve its customers, Qualitel must rely on its suppliers to supply products, which are delivered when promised, reliably perform their intended function, and are a good value for money. Qualitel will give preference to suppliers that perform in this manner. This Supplier Guidelines Manual outlines the key requirements for suppliers that will lead to satisfying Qualitel's needs and developing a mutually beneficial relationship.

This document is applicable to all individual purchase orders issued by Buyer unless exceptions and modifications have been specifically agreed to in writing and signed by authorized representative of Seller and Buyer.

### SCOPE

This document establishes requirements for supplier's quality control systems. These requirements are in addition to those set forth in any other contractual document.

### ENGLISH LANGUAGE REQUIREMENTS

The supplier shall submit all required documents (including test documents) and requests in the English language.

### APPLICABLE DOCUMENTS

The following documents form a part of this document to the extent specified herein.

ISO 9000:2015	Quality management and quality assurance standards
ISO 13485: 2016	Medical Devices - Quality Management Systems
SAE AS9000	Aerospace Basic Quality System Standard
SAE AS9100D	Quality Systems Model for Quality Assurance in Design, Production, Installation and Servicing
SAE AS6081	Fraudulent Counterfeit Electronics Parts Avoidance, Detection, Mitigation and Disposition – Distributors
SAE AS5553	Counterfeit Electronic Parts, Avoidance, Detection, Mitigation and Disposition

### APPLICABILITY / CONTRACT REVIEW

This specification shall apply to all supplies and services. The requirements of this document shall be satisfied in addition to all detail requirements contained in any other portions of the contract or purchase order. Meeting the requirements contained herein is a requirement for remaining on the contracted Qualitel Corporation approved supplier list. The supplier is responsible for furnishing articles, which meet all requirements of the contract or purchase order. Should any inconsistency occur between this specification and any other contractual document, the supplier shall be responsible for bringing this to the attention of Qualitel Corporation for resolution.

### Purchase Order Confirmation

A written confirmation is required for all purchase orders issued by Qualitel. E-mail, fax, and postal mail are all acceptable examples of Written confirmation. E-mail are preferred for their speed. The confirmation should state all discrepancies with the PO.

### FLOWDOWN

There shall be a flow-down of the quality requirements of this contract to any sub-tier suppliers used in the performance of this contract.

### Mold Release Agents

Any contaminant should be thoroughly cleaned as to prevent cross contaminations of medical equipment relating to health and safety issues; i.e. mold release agents, etc. (reference FDA/QSR 21 CFR 820 Requirements)

### SUPPLIER RESPONSIBILITY

The supplier shall establish and maintain a system for the control of quality that complies with the requirements of AS9000, AS9100, ISO13485 or ISO 9001. This system shall be subject to Qualitel approval and shall include, but not be limited to, the following provisions:

### CONFLICT MINERALS POLICY

Qualitel is committed to sourcing components and materials from companies that share our values around human rights, ethics and environmental responsibility. We expect all of our suppliers to abide by the requirements of our Supplier Code of Conduct, which prohibits human rights abuses and unethical practices. We also require all suppliers to comply with applicable legal standards and requirements.

On August 22, 2012, the U.S. Securities and Exchange Commission ("SEC") issued the final conflict minerals rule under Section 1502 the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Conflict Minerals Rule"). The Conflict Minerals Rule requires publicly traded companies to report annually the presence of conflict minerals (tin, tungsten, tantalum and gold, or "3TG") originating in the Democratic Republic of the Congo or adjoining countries ("Covered Countries").

Qualitel will assist our customers in implementing their conflict minerals programs. We strive to work cooperatively with our customers and supply chain partners in implementing conflict minerals compliance programs. We may reconsider our willingness to partner with suppliers that fail to comply with this Policy.

The Quality Assurance Manager of Qualitel Corporation shall be notified, in writing, when any changes are made to the quality control system that may affect product quality.

The quality system shall be maintained so as to assure that all supplies and services offered for acceptance are subjected to all of the examinations and tests required to prove conformance to contract or purchase order requirements.

### REACH COMPLIANCE POLICY

Qualitel is committed to sourcing components and chemical from companies that share our values around environmental responsibility.

REACH is the European Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals. It went into effect on June 1, 2007.

[http://ec.europa.eu/growth/sectors/chemicals/reach/index\\_en.htm](http://ec.europa.eu/growth/sectors/chemicals/reach/index_en.htm)

REACH's objectives are to ensure a high level of protection for human health and the environment, including the promotion of alternative test methods, as well as the free circulation of substances on the internal market and the enhancement of competitiveness and innovation.

Qualitel will assist our customers in implementing their REACH programs. We strive to work cooperatively with our customers and supply chain partners in implementing REACH compliance programs. We may reconsider our willingness to partner with suppliers that fail to comply with this Policy.

### DOCUMENTS, RECORDS AND CORRECTIVE ACTION

#### Records

The supplier shall maintain adequate records of all inspections and tests. The records shall indicate the nature and number of observations made, the number and type of deficiencies found, the quantities approved and rejected and the nature of corrective action taken. Other records as required by Qualitel or its customers. Records shall be available, and



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copies of individual records furnished upon request, to Qualitel Corporation representatives. Records shall be kept for a period of twelve (12) years after final payment for supplies or services.

### Corrective Action

The supplier shall take prompt action to correct assignable conditions which have resulted, or could result in, non-conforming products or services being offered to Qualitel Corporation for acceptance which do not conform to any of the following:

- (1) The quality assurance provisions of the item specification
- (2) Inspections and tests required by the contract or purchase order, and
- (3) Other inspections and tests required to substantiate product conformance. Discrepant material delivered under contract to Qualitel Corporation facilities or our customers will be held for ten days pending supplier's disposition instructions. After this time, the material will be returned to the supplier at the supplier's expense.

### PRODUCT SUBSTITUTION AND SPECIFICATION CHANGES

Unless otherwise specified on the contract or purchase order, the supplier's quality control system shall provide for procedures which will assure that the latest applicable drawing, specification and instructions required by the contract or purchase order, as well as authorized changes thereto, are used for fabrication, inspection and testing.

Unless the documentation specifically gives permission for the use of alternative components, substitutions and specification changes **may not** be made without obtaining permission in advance from Qualitel's Purchasing or Quality Assurance.

### DOCUMENT CONFIDENTIALITY

Copies of Qualitel Corporation customer's drawings, specifications and/or procedures supplied by Qualitel Corporation shall not be reproduced except for internal use. Such proprietary items shall be controlled to preclude their use for other than contract work with Qualitel Corporation.

### SOURCE INSPECTIONS

Qualitel Corporation and their Customers, including the government and regulatory authorities reserve the right to conduct inspection and/or surveillance of the supplier system, procedures, facilities and products. The government has the right to inspect any or all of the work included in this order at the supplier's facility. The supplier shall, provide all necessary facilities, equipment, documentation and personnel required to perform any inspection at no additional cost to Qualitel Corporation

### REFERENCED DATA

All documents and referenced data for purchases applying to the contract or purchase order shall be available for review by the Government or Qualitel Corporation representative to determine compliance with the requirements for the control of such purchases.

### ORGANIZATIONAL CHANGES

The supplier shall notify Qualitel of any changes in product or process, change of suppliers, changes in manufacturing location, certifications, production standards used, special process changes, or changes in the quality system.

### CONTROL OF WORK TRANSFERS (SUBCONTRACTING)

ANY work transferred from the initial supplier listed on the PO to another supplier either temporarily or permanently shall be authorized, in writing, before the transfer is made.

Product and paperwork shall reflect the change in supplier.

### CONSIGNED PROPERTY AND RESPONSIBILITY FOR PROPERTY

- Unless otherwise provided herein or in any other agreement between BUYER and SELLER, all supplies, materials, facilities, tools, jigs, dies, fixtures, patterns, or equipment furnished to SELLER by BUYER to perform this Purchase Order shall remain the property of BUYER and SELLER shall bear all risk of loss thereof, and damage thereto, normal wear and tear excepted, which such property is in SELLER's possession.
- All such property shall at all times be properly housed and maintained by SELLER; shall be marked by SELLER as the property of BUYER'S business unit that issued the Purchase Order, shall not be commingled with the property of SELLER of that of a third party; shall not be moved from SELLER's premises without prior written authority from BUYER; and shall, upon request of BUYER, be immediately delivered to BUYER, by SELLER.
- If Government property is furnished on this Purchase Order, FAR 52.245-2 shall apply, and SELLER shall comply therewith.

### DEFAULT - TERMINATION

- (a) In addition to such rights as BUYER may have under FAR 52.249-8 and FAR 49.502 in the event that (i) SELLER fails to perform or comply with any provisions of this Purchase Order or fails to make progress so as to endanger performance, or (ii) SELLER becomes insolvent during the performance of the Purchase Order, or a petition is filed by or against SELLER under any chapter of the Federal Bankruptcy Act, or SELLER makes a general assignment for the benefit of creditors then, in such event, SELLER shall be deemed to be in default and BUYER may cancel all of the executory portion of this Purchase Order immediately and require delivery of (i) any completed Goods and (ii) such partially completed Goods and materials, parts, tools, jigs, fixtures, plans, drawings, information, and contract rights ("manufacturing materials") for which BUYER has made advance progress payments at SELLER's cost.
- (b) Upon SELLER's default, SELLER shall promptly deliver all completed or partially completed Goods and manufacturing materials requested by BUYER at SELLER's cost: BUYER shall (i) pay for all accepted completed Goods at the Purchase Order unit price and (ii) pay for partially completed supplies and manufacturing materials, that amount agreed upon by SELLER and BUYER not exceeding the fair market value thereof.
- (c) Notwithstanding the foregoing, BUYER may terminate all or any part of this Purchase Order at least 60 days prior to any scheduled

### APPROVED SOURCES / COUNTERFEIT MITIGATION

Suppliers shall purchase/procure materials /products/processes from Supplier-approved suppliers only. If unapproved suppliers are needed, authorization, in writing, approving the purchase shall be required by Qualitel.

The Seller shall take all precaution on counterfeit part mitigation for confirming the authenticity of all components used in the manufacture of Buyer's products per:

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|------------|--|
| SAE AS6081 | Fraudulent Counterfeit Electronics Parts Avoidance, Detection, Mitigation and Disposition – Distributors |
| SAE AS5553 | Counterfeit Electronic Parts, Avoidance, Detection, Mitigation and Disposition                           |

Components failing test or found to be non-compliant must be rendered unusable or returned to preclude resale. These events must be reported to the appropriate agencies (GIDEP, ERAI)

### NOTIFICATION OF ISSUES RELATED TO THE PRODUCT INCLUDING OBSOLESCENCE

The Supplier shall notify Qualitel in writing of any issues related to product quality, reliability, or performance including product escapes within twenty four (24) hours of discovery and may not ship any product without approval authorization



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The Seller shall notify Buyer of impending part obsolescence for all parts that are on open orders or which have been shipped over the past 12 months. The notification shall occur at the earliest point possible and at least 6 months prior to the "end of life" order date.

### TRACEABILITY OF SUPPLIED PRODUCT

All aerospace parts must have date code/lot code identified on either the packing list or the parts. Requirement will be identified on the PO.

### FURNISHED MATERIAL

When material is furnished, by the Government or Qualitel Corporation the supplier's procedures shall include as a minimum the following:

- a) Examination upon receipt, consistent with practicability, to detect damage in transit.
- b) Inspection for completeness and proper type.
- c) Periodic inspection and precautions to assure adequate storage conditions and to guard against damage from handling and deterioration during storage.
- d) Functional testing, either prior to or after processing, or both, as required by contract to determine satisfactory operation.
- e) Identification and protection from improper use or disposition.
- f) Verification of quality.
- g) Control of customer proprietary information.

### FOREIGN OBJECT DEBRIS (FOD) ELIMINATION

Seller shall incorporate a documented process compliant to NAS412 guidelines or equivalent, to ensure all substances, debris, or other articles alien to the supplied component, assembly or subassembly, which have the potential to cause damage to the supplied component or end item, shall be eliminated or removed prior to shipment.

Examples of FOD include; food or drink residue, dirt/soil, metal shavings, wire clippings, oils or materials/compounds left over from fabrication, and/or any other debris, material, or residues not listed as part of the component/item specification.

Seller shall use appropriate means to ensure FOD prevention and elimination, including as applicable; FOD prevention training and awareness for employee's, Good Housekeeping & Good Manufacturing Practices (GHP & GMP), visual inspection when appropriate, use of inspection technology for inaccessible areas as needed, and adequate Storage & Packaging of items/goods to ensure FOD prevention.

### NON-CONFORMING MATERIAL

The supplier shall establish and maintain an effective and system for controlling non-conforming material, including procedures for the identification, segregation, presentation and disposition of reworked or repaired supplies. Repair of non-conforming supplies is the prerogative of and shall be as prescribed by Qualitel Corporation. All non-conforming supplies shall be positively identified to prevent use, shipment and intermingling with conforming supplies.

Authorization to ship discrepant or substitute material must be obtained in writing prior to shipment. Discrepant material shipped without approval will not be accepted.

### Deviation Requests

Requests for deviation from the requirements of the contract or purchase order shall be submitted to and approved by Qualitel Corporation prior to shipment. Product accepted on a deviation request by Qualitel Corporation, will be shipped with all certifications and shippers referencing the nonconformance.

Authorization to ship discrepant or substitute material must be obtained in writing prior to shipment. Discrepant material shipped without approval will not be accepted and will be returned at supplier's expense.

### DAMAGED GOVERNMENT/QUALITEL CORPORATION FURNISHED MATERIAL

The supplier shall report to the Government or the Qualitel Corporation representative any furnished material found damaged or otherwise unsuitable for use.

### PREPARATION FOR SHIPMENT

The suppliers' quality control system shall assure that the quality of supplies is protected preserved and packaged during shipment in accordance with best commercial practices unless otherwise specified on the purchase order or contract for manufacture. The identity of all products shall be clearly marked. The preferred shipment method, where applicable, is UPS Ground, unless otherwise specified on the purchased order. Request a copy of Qualitel Supplier Routing Instructions for further detail.

### ESD Protection

Sensitive electronics shall be handled at the supplier's facility and arrive packaged at Qualitel in a manner that will protect from ESD damage. Packaging and handling shall conform to industry standards or ANSI/ESD S20.20.

### Packaging Requirements

Product packaging shall conform to drawing requirements. If requirements are not stated, industry standard packaging shall be used. Packaging shall protect product from damage during shipment.

### Quality / Delivery Expectations

The quality / delivery expectation for Qualitel is arrival at our facility in the window of 5 days early and no days late without quality defects. Failure to deliver in this window may affect your supplier status. All paperwork issues are considered a quality defect

Note that the given date on the purchase order is for arrival at Qualitel's facility. All deliveries should be made to the following address:

Qualitel Corporation  
 11831 Beverly Park Road, Bldg. A, Everett, WA 98204

The normal operating hours of the receiving area are 6 a.m. through 5:00 p.m., Monday through Friday. Make every attempt to make deliveries during these normal hours. If you must schedule a delivery outside of these hours, please contact Purchasing.

### 5. MARKING OF PAPERWORK (PACKING LIST)

The packing list must contain the following information:

1. Your company name
2. Name of manufacturer
- 3a. Off the Shelf components: Part number of manufacturer
- 3b. Build to Print components: Part number of manufacturer **and** revision
4. Quantity shipped
5. Qualitel Purchase Order number
6. Lot Number, run, batch, date code(s), or serial number are required for all parts NOT starting with "SUP"
7. Any Qualitel part beginning with "SUP" having limited shelf life **must** contain date/lot/batch codes

### Packing List Preferred Information:

Qualitel part number  
 Date/Lot Codes for any items starting with "SUP"

### **SPECIFIC QUALITY ASSURANCE REQUIREMENTS APPLY ONLY WHEN NOTED ON PURCHASE ORDERS**



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### Q1. CERTIFICATE OF COMPLIANCE (COTS)

#### **Commercial Off the Shelf Parts (COTS)**

Unless otherwise noted on the Purchase Order, each shipment shall be accompanied by a legible document package which contains:

1. Conformance statement attesting that the product complies on the Manufacturer or distributor letterhead
2. All deliveries must be traceable to the Original Manufacturer; therefore copies of these certifications must be on file and available upon request.
3. Multiple date / lot codes are shipped, the quantity of each shall be noted and packaged separately.

### Q1A. CERTIFICATE OF COMPLIANCE (BTP)

#### **Build to Print Parts (BTP)**

Unless otherwise noted on the Purchase Order products built to Qualitel or Qualitel's end customer specifications (identified by a part number with a letter or "-" revision) shall be delivered with a certificate of compliance (C of C) in addition to the packing slip attesting that the product complies with drawings and/or specifications imposed by the purchase order or contract.

The report shall contain on the Manufacturer or distributor letterhead the following minimum;

1. Shall include signature, printed name
2. Revision of parts
3. Lot Number, run, batch, date code(s), or serial number
  - When certificate has multiple lots or date codes – the quantity of each shall be noted

**\*\*Note – C of C will NOT be required for general stocking office supply items with Prefix OFFC or items received against a miscellaneous GL line.**

### Q2. FIRST ARTICLE PAPERWORK REQUIRED (FAI) – on all first orders for Built to Print Items. AS9102 FAIR be required when specified.

**Additionally, if there is a lapse in time exceeding two years for which a specific part number is ordered, a new AS9102 Full FAIR shall be required.**

If noted on PO by buyer as AS9102 FAIR required, the supplier must flow down all FAI requirement to subcontractors who manufacture build-to-print subassemblies or detail part. All first article inspection reports (FAIRS) submitted shall be completed and recorded per AS9102.

### Q3. PCB Only

- A. **FAI, Positive Film, Solder Sample, Req'd on First Delivery**
  1. Quality Notes Q1A applies to subsequent orders
- B. **Potted micro-sections to be retained by the Supplier for each individual lot produced compliant to IPC-6012 Class III requirements.**
- C. **Vacuum pack PWBs in moisture barrier bags with desiccant and humidity indicator card per IPC-1601. Desiccant material shall be in accordance with IPC J-STD-033 and be sulfur-free.**

### Q4. AGE CONTROL & LIFE LIMITED PRODUCTS

Age control & life limited products shall be identified with the date of manufacture, test time or cycle at which useful life will be expended. (i.e. shelf life or cycle life). Products supplied to Qualitel Corporation shall have a minimum of 75% of its life expectancy remaining.

### Q5. SOURCE INSPECTION

If the item specified on the face of this purchase order require inspection by Qualitel Corporation Quality Assurance representative(s) prior to shipment of supplies or performance of tests at supplier's facility. Notify Qualitel Corporation twenty-four (24) hours in advance to permit schedule of source inspection.

The supplier shall, in accordance with this provision, provide all necessary facilities, equipment, documentation and personnel required to perform this inspection at no additional cost to Qualitel Corporation

Objective evidence of Qualitel Corporation source inspection must accompany each shipment of material. Evidence of inspection at the supplier's facility does not constitute acceptance.

### Q6. Qualitel 06.20.116 Workmanship STD

Applies to item when drawing doesn't call out cosmetic/ grading specifications

**Q9. Foreign Object Debris (FOD)** - Seller shall implement and maintain a documented process to detect and eliminate FOD whenever applicable. (See Qualitel Terms and Conditions)

### Q10. RESALE OF RETURNED INVENTORY

Distributors may not sell back inventory which has been returned by another customer without prior approval from Qualitel. Applies to Korry Esterline items with Qualitel prefix 336

### Q11. INJECTION MOLDED PLASTICS

Unless otherwise specified, the use of regrind material is restricted to a maximum of 20%

### Commodity Matrix – Quality Notes Guide

1. PCB – Q1A, \*Q2, \*Q3
2. Plastic/Sheet Metal – Q1A, \*Q2, Q6
3. All Build to Print (BTP) besides PCB, Plastic or Sheet Metal – Q1A,\*Q2
4. Chemical – Q1, Q4
5. All other Parts – Q1 are applicable unless otherwise specified in Line Item Notes

\* Q3A Only applies to 1<sup>st</sup> time shipment of item.