



Thomas & Skinner, Inc.

Excellence In Magnetics

QD-731-119 SUPPLIER PERFORMANCE REQUIREMENTS

This document defines the requirements for all approved suppliers to Thomas & Skinner Inc. It applies to all contracts /orders placed upon the Supplier by Thomas & Skinner Inc. These requirements shall be flowed down to all Sub-tier Suppliers.

Unless otherwise specified, the current revision of AS9100 should be used as a guide for the Supplier's Quality Management System

General

The requirements defined by this document are an integral part of the binding contract between the Supplier and Thomas & Skinner Inc. Exceptions are not acceptable without the prior written agreement of Thomas & Skinner Inc. Suppliers accepting a purchase contract agree to the Thomas & Skinner Inc. Standard Terms and Conditions, QD-731-161, as supplied with the purchase order.

Access

Thomas & Skinner shall have the right of access to any Supplier involved with Thomas & Skinner product with appropriate prior arrangements. The Supplier shall provide Thomas & Skinner, Customers, or the Customer's authorized representatives, and/or Regulatory Authorities rights of access to premises where Thomas & Skinner work is being performed. This access shall be used to verify the Quality Assurance activities being undertaken are appropriate to meet the requirements of the Thomas & Skinner contract/order.

Confidentiality

All information the Supplier receives from Thomas & Skinner is considered proprietary and must be kept confidential and never disclosed to any third party without prior written consent of Thomas & Skinner. The proprietary information can include, but is not restricted to, all versions of electronic data, drawings and documentation, tooling and materials. Under no circumstances is the Supplier to make a direct approach to Thomas & Skinner's customers in relation to agreed business dealings.

The Supplier shall not further release any Technical Data/Drawings supplied by Thomas & Skinner to any other party, home country or abroad, without the written approval of Thomas & Skinner. Materials supplied from the USA are subject to international trade compliance regulations, ITAR, that must be adhered to and where required, permission obtained from Thomas & Skinner.

Quality Management System

All Suppliers must be compliant, at a minimum, to the requirements of the current revision of the ISO9001 standard as applicable. Formal registration by an accredited body to the current revision of ISO9001 or AS9100 is preferred, but not required.

Supplier Approval

Thomas & Skinner approves their Suppliers according to the requirements of the products

manufactured by the company and compliance or registration to the applicable QMS standards as stated above. The specifications of approval and monitoring of the Supplier may include:

A Supplier Quality System Questionnaire form that is used to define the scope of supply.

When necessary, an assessment visit/report and any follow up actions

Addition to the Thomas & Skinner Approved Supplier List as applicable

Ongoing performance monitoring

On-site meetings and quality audits

If the Supplier holds a Thomas & Skinner Customer approval, this shall be recorded as part of the initial approval, however the requirements of both Thomas & Skinner and relevant Customer still apply.

Supplier Approval Validity

Approval of the Supplier Quality System shall not relieve the Supplier of any responsibility to supply products that conform to all of the requirements of the contract/order and/or agreement. Approval is valid until further notice unless the Supplier exceeds their scope of approval or fails to achieve a satisfactory performance level. A Supplier shall notify Thomas & Skinner in writing of any change in Company location, Company ownership, special processes or changes in the conditions of approval given by National, International or Regulatory Bodies.

Control of Documents

All changes to documents shall be coordinated through the Thomas & Skinner Buyer and must be in written form. No verbal changes are allowed. The current revision of drawing and/or specification will be made available to the Supplier with the purchase order either in paper or electronic form. Any updates to the documents will be provided through the same route.

Control of Records

All manufacturing documentation shall be made available to Thomas & Skinner and their Customers within 24 hrs of the request in support of audit/investigation activities. All records, product and business related, shall be retained from the completion of the contract/order for ten years.

Supplier Purchasing Process

The Supplier shall be responsible for the quality of all products and services purchased from Sub-tier Suppliers in support of Thomas & Skinner contracts/orders. Material and production lot traceability is required at all times unless prior agreement with Thomas & Skinner.

Verification of purchased Product

A Certificate of Conformity/Authorized Release or Certificate of Analysis as appropriate for the material or service provided, shall be provided to Thomas & Skinner with each delivery. When raw material is purchased to complete the requirements for the order, a CoC/CoA for the raw material must be included with the delivery. The Certificate of Conformity (CoC), or Certificate of Analysis (CoA), can be a separate document, or it can be included as part of the shipping declaration/packing slip text and be signed in ink or electronically by an authorized Supplier representative.

Process Change Control

No change can be made to any process or products purchased by Thomas & Skinner affecting form, fit, or function without written approval. A form, fit or function analysis shall be performed, documented and included with any request for change. Product/Manufacturing Process shall not be moved from the original location of manufacture within a production facility or to any other

production facility. Under no circumstances shall verbal agreements or instructions be construed as approval or authorization to proceed with a change.

To manage any potential impact from changes to production/supply sources, Suppliers are required to alert Thomas & Skinner for any of the following:

- Any proposed change in outsourcing from the Supplier to an external source
- Any proposed change in in-sourcing from external source to the Supplier
- Any changes between external sources
- Any changes to location manufacture

Any source change shall be subjected to a documented risk analysis and action plan that addresses the potential impact to quality and delivery. Identified risks will be managed through a suitable plan that details transfer activities and technical documentation requirements.

The Supplier shall ensure that all risks are communicated to Thomas & Skinner where conformance to the Contract/Purchase Order cannot be met. These risks shall be evaluated and identified.

Identification and Traceability

All products shall be identified and traceable in accordance with the drawing and/or the contract/purchase order. A Supplier shall provide clear identification, control, and training in accordance with applicable National or International Standards if a product is a safety hazard and safety data sheets will be provided. All products supplied to Thomas & Skinner must be packaged in such a manner to prevent damage or deterioration during storage at the supplier's premises and in transit to Thomas & Skinner.

Monitoring and Measurement

All non-conforming material, with their associated work instructions and identification are to be held within a secure quarantine area until an approved written disposition is produced. Thomas & Skinner may, in exceptional circumstances, accept a non-conforming product. This may be achieved by a written request for concession/deviation from the Thomas & Skinner Buyer. This request for shipping product under deviation must be made in writing using the Supplier Request for Deviation, QF-731-156. Unless formally agreed, non-conforming product under a deviation shall not be delivered unless the concession has been formally accepted by Thomas & Skinner. Any authorized concession or deviations shall be noted on the Certificate of Conformity that accompanies the delivery.

Thomas & Skinner must be notified of any changes to product and/or process that may impact product conformity or Supplier Approval prior to implementation. The Supplier shall not make any changes to Special Processes without written approval from Thomas & Skinner.

Suppliers will be notified of nonconformance information from Thomas & Skinner by a Supplier Corrective Action Request, SCAR form QR-731-121. Thomas & Skinner shall be informed in writing of the containment activities and corrective action that result in process changes to prevent recurrence. Thomas and Skinner will review the information returned from the supplier on the SCAR form, sign and date verifying the disposition of any material and supplier C/A activity.

It is the Supplier's responsibility to alert Thomas & Skinner in the event of delivery of potential or known nonconforming material at the earliest opportunity. If a Supplier or Thomas & Skinner have reason to believe that a nonconforming material condition exists, immediate containment of all suspect material at the Supplier, Thomas & Skinner, and any affected Customer location shall be

enacted until disposition has been completed. The Supplier shall assume all costs associated with all above actions.

If the Supplier is not able to sort material at Thomas & Skinner in a timely manner, Thomas & Skinner will perform or facilitate the inspection and sorting operation with the Supplier responsible for all costs. The Supplier shall be responsible for all costs associated with inspection, sorting, replacement, transport and penalties incurred as a result of delivery of nonconforming material to Customer's facilities.

Purchase Order Priority Rating

If the material or service specified on the purchase order is required to support Thomas & Skinner product being supplied for a DPAS rated order, the Supplier shall follow all the provisions of the Defense Priorities and Allocations Systems (DPAS) regulation (15 CFR 700) for the rated order that is certified for national defense use.

See the Purchase Order for the appropriate priority rating (e.g. DO-A1, DX-A1, DO-A4)

Counterfeit items

A counterfeit item is an item, or any component thereof, produced, altered or otherwise misrepresented to resemble another item, or any part thereof, without authority or right to do so; including but not limited to, any item that is produced or altered to result in Buyer being misled, or defrauded through the presentation to Buyer of such item as original, new, genuine or otherwise from a source other than the actual source of such item.

Seller shall develop and implement a plan to prevent the purchase and meets the requirements of SAE AS6174 (current rev) or SAE AS5553 (current rev) as applicable. The seller shall implement the plan to maximize the availability of authentic material, procure material from reliable sources, assure authenticity and conformance of procured material, including methods such as certification, traceability, testing and inspection as appropriate to the commodity or item in question, control material identified as fraudulent or counterfeit, and report suspect or confirmed fraudulent/counterfeit material to other potential users.

Parts/Material Obsolescence

When a supplier has knowledge that any hardware item or material to be provided in the performance of this purchase order is obsolete, is marked for impending obsolescence, or has established an end of production date, the Supplier shall immediately give initial notice, including all relevant information with respect to the obsolescence, to the Buyer. Notice shall include, but not be limited to complete details of which part/material is affected, date of obsolescence, end of production date, reason for obsolescence, pricing and availability of last-time buy, and Supplier's recommendation for appropriate replacement part/material.

Confidential Information Security

Permitted Uses of Confidential Information: During the term of this Purchase Order, the supplier may use the received Confidential Information as expressly permitted in this Purchase Order, but in no event beyond the intent of this Purchase Order.

Protection and Continuing Obligation of Confidential Information: All suppliers will protect such Confidential Information using the same degree of care it uses to protect its own Confidential

Information, but in no event less than a reasonable degree of care. The supplier will not use or disclose Confidential Information received from the Buyer except as permitted in this Purchase Order for 10 years after the expiration or termination of this Purchase Order.

Permitted Disclosures of Confidential Information:

Employees/Affiliates: The supplier may disclose Confidential Information only to its employees and contract employees and Affiliates having a need-to-know with respect to the intent of this Purchase Order.

Third Parties: The Supplier may disclose Confidential Information to a third party having a need-to-know with respect to the intent of this Purchase Order provided that the Buyer authorizes it in writing; and the supplier under this Purchase Order requires the third party recipient to enter into a non-disclosure agreement containing terms and conditions no less stringent than those imposed upon the supplier under this Purchase Order.

Prohibited Uses of Confidential Information: Except as expressly permitted in this Purchase Order, or by the prior written approval of the Buyer, Supplier may not use (or assist others in using) Thomas & Skinner's Confidential Information to: (a) sell any Thomas & Skinner Part or other part that is interchangeable with or intended as a substitute for a Thomas & Skinner Part to anyone other than Thomas & Skinner or design, develop, or manufacture any part that is interchangeable with or intended as a substitute for a Thomas & Skinner Part.

Personal Data Protection: The Buyer and Supplier will treat each organization's Personal Data of the personnel and prospective personnel as Confidential Information and will take appropriate technical and organizational security measures as are required by applicable law to protect Personal Data. Each Organization will use and permit employees and third parties to use Personal Data pursuant to legal requirements and only for purposes directly related to the performance of obligations under this Purchase Order.

Return of Confidential Information: Upon the Buyer's written request after the expiration or termination of this Purchase Order, the Supplier will return or destroy all Confidential Information received from Thomas & Skinner (including all copies) and will certify in writing that all materials containing Confidential Information have been returned or destroyed within 30 days.

Qualification of Personnel: Personnel performing work affecting conformity to product requirements shall be competent on the basis of appropriate education, training, skills and experience, including awareness of the following:

- Their contribution to product or service conformity
- Their contribution to product safety
- The importance of ethical behavior

When applicable, Supplier shall only use certified personnel. Supplier provider shall maintain the expected level of competence, training and awareness for all work performed.

Revision Log

April 23, 2013	Released for use
December 20, 2013	Clarified the review and disposition of SCAR information
April 30, 2014	Added DPAS rating requirements, C of C requirements clarified
June 10, 2014	Changed verification of purchased product to clarify the CoC requirement
April 25, 2016	Changed document control retention period to 10 years, changed Supplier Approval Validity to notification of change in company ownership
October 20, 2016	Added clarification to the Quality Management standard reference, added reference to standard terms & conditions
Nov 20, 2017	Added prevention of counterfeit material and reference to material obsolescence
Feb 2, 2018	Added confidential information security requirements
April 9, 2018	Added flow down requirements for qualification of personnel
May 27, 2022	QMS Section: QMS is not required.