

## SUPPLIER QUALITY PROVISIONS

Requirements of this Procedure shall be followed in the fabricating of all detail parts, sub-assemblies, assemblies, standard parts and tooling involved in the manufacturing of all SCI Customer products.

### Standard Requirements:

Compliance with Purchase Order (PO) requirements, which include SQPs, is subject to SCI and/or Regulatory Authority on-site verifications. SCI, SCI's Customers and any Regulatory Authority shall have a right of access to all facilities involved in the purchase order. Primary SCI suppliers who use sub-tier suppliers to manufacture SCI customer product, shall be responsible for flowing down the Supplier Quality Provision requirements to the sub-tier supplier and shall apply appropriate quality controls to ensure that requirements are met. We expect all suppliers to observe the highest standards of ethics and integrity to insure that the parts are exactly manufactured to all customer requirements to insure safe operation of the final product. SCI suppliers are also responsible for obtaining and submitting all sub-tier quality records to SCI when the product is delivered to SCI.

When PO references a customer's print, Supplier is responsible for meeting the most recent revisions of that customer's Quality System Requirements. Any questions should be referred to SCI Purchasing or Quality.

- **Confidentiality** – The information contained in any documents provided to supplier is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of Sun Country Industries, except as necessary within the supplier's facility to perform the work described in the Purchase Order.
- **MRB** – Material Review Board (MRB) authority is considered **not** delegated to suppliers. All Supplier non-conformances shall be promptly reported by submitting a Nonconformance Report (NCR) to SCI. Suppliers must obtain organizational approval before processing of all NCRs. Product design and development are controlled by the owner of the drawings provided.
- **Escapes** -- Notification of Defective Delivered Product: SCI requires written notification of any nonconformance's that may be discovered affecting previously delivered product.
- **Language** -- All documentation shall be in English

- **Calibration** -- The supplier shall establish and maintain documented procedures to control, calibrate and maintain all measuring and test equipment that can affect product quality, including test software and personally owned equipment including and SCI supplied equipment.
  1. Calibrations shall be traceable to internationally or nationally recognized standards.
  2. Equipment shall be identified with calibration labels and certification records of the calibration.
  3. The Supplier shall conduct an impact assessment of the previous inspection results when equipment is found to be faulty or out of calibration and shall recall the product for re-inspection when the assessment indicates the result may be nonconforming product.
  
- **Notification** – The supplier will notify Sun Country Industries (in writing) of any significant facility or organizational changes such as company name or changes to senior quality management. In addition, the supplier will notify Sun Country Industries and obtain approval of changes in location, sub-tier suppliers, product, services, the supplier's manufacturing processes, or in the quality system that may affect the inspection, conformity or airworthiness of the products provided. The supplier will immediately notify Sun Country Industries (in writing) if their certification / registration status is suspended or withdrawn and may be subjected to recertification.
  
- **Handling** - The supplier is responsible for proper handling of SCI product during their manufacturing process to prevent damage. Damage to product must be reported to SCI immediately. If damage is found during the suppliers Receiving Inspection, the supplier must take pictures of the damage and attach to e-mail for SCI review.
  
- **Traceability** -- The supplier is responsible for maintaining lot traceability during subcontracted operations. SCI lots are defined by job number and quantity on SCI purchase order. Lots must be separated upon receiving inspection and lot integrity must be maintained during processing, inspection, and final packaging/shipping. Manufacturing traceability applies to all SCI lots, regardless of part serialization.
  
- **Storage** - The supplier shall use designated storage areas or stock rooms to prevent damage or deterioration of product, pending use or delivery.
  
- **Packaging** – Parts will be packed in accordance with good industry standards to prevent damage in transit. Special packaging instructions may be required in addition to this provision. These instructions will be defined on the SCI PO if applicable.
  
- **Preservation** - The supplier shall apply appropriate methods for preservation and segregation of product when the product is under the supplier's control to prevent nonconforming product from being delivered to SCI.

- **Delivery** - The supplier is responsible for following all SCI requirements and instructions to ensure that the product is received on time and undamaged.
- **Qualification of Personnel** – Any special qualifications of personnel that are required, will be stated on the Purchase Order.
- **Trafficking** – SCI will not engage in any trafficking in persons or related activities, including but not limited to the use of forced labor and is committed to protect the rights of its employees and the rights of subcontractor employees. SCI suppliers have the responsibility to report trafficking in persons violations by supplier or supplier employees per DFAR Supplement Part 252. Employees reporting trafficking in persons violations are protected from reprisal for whistleblowing under 10 U.S.C. 2409, as implemented in DFARS subpart 203.9.
- **Testing** – If requested, supplier will provide test specimens for design approval, inspection / verification, investigation or auditing.
- **Records** – All records must be maintained for a minimum of 10 years unless otherwise specified. Any variation to the 10 year minimum retention requirement will be on an individual Purchase Order basis and will only apply to the specified PO. After 10 years, the records can be destroyed..
- **SCI Owned Equipment** – The Supplier shall exercise care with SCI property while it is under the Supplier’s control or being used by the Supplier. The Supplier shall identify, verify, protect, and safeguard SCI property. If SCI property is lost, damaged or otherwise found to be unsuitable for use, the Supplier must report this to SCI Immediately.
- **Counterfeit Part Prevention** – Sun Country Industries is committed to preventing counterfeit parts from entering the supply chain. It is expected that supplier will provide traceability (including Certificates of Conformance / Compliance) of material from country of origin to shipment, as required. Supplier warrants that Counterfeit Parts / Material will not be supplied to Sun Country Industries.

**NOTE: ALL STANDARD REQUIREMENTS PRECEDING SQP1 APPLY TO EVERY PURCHASE ORDER.**

**SQP 1) Key Characteristics (KC)** - This requirement is applicable when it is specified on the Customer drawing (symbol) and defined on the SCI Purchase Order. The Supplier shall provide variable data (Report) to SCI for each Key Characteristic for each part manufactured. Serial numbers must also be listed with the measurement if applicable. Attribute (go/no-go) data shall be used only if no other inspection technique is feasible. The Supplier must contact SCI Quality through Purchasing to request this alternate method (go/no-go) of measuring. SCI Quality will review the request and approve if it is determined to be a valid request.

**THIS IS REQUIRED FOR EVERY SHIPMENT.**

**SQP 2) Standard / Military Hardware Traceability** – The Supplier shall deliver standard/military hardware (AN, MS, NAS, etc.) that is compliant with the latest specification revision, unless otherwise specified by SCI. The Supplier shall provide a Certificate of Conformance (C of C) stating that the hardware conforms to the specification defined on the SCI Purchase order. Refer to SQP 5 for required C of C data. The supplier must maintain complete manufacturing traceability through documentation. Documents in certification package may be linked by applicable designators such as part name, manufacturing lot , heat lot, etc.

**THIS IS REQUIRED FOR EVERY SHIPMENT.**

**SQP 3) Raw Material Certification** – Suppliers shall supply SCI with all mill certifications, which contain the actual and complete values for chemical and mechanical test data that meet the acceptance requirements of the applicable material specification defined on the SCI Purchase Order. Material Certifications that are illegible will not be accepted.

**THIS IS REQUIRED FOR EVERY SHIPMENT.**

**SQP 4) Product Identification (Part Marking)** – The Supplier will be responsible for Part Marking when this SQP is listed or checked (check box) on the SCI PO. The Part Marking Requirement will be defined on the SCI Purchase Order including the Specification (if applicable) as noted on the Customer Drawing or Parts List. Product which is part marked will receive 100% visual inspection for conformance. It is the responsibility of the Supplier to contact SCI Quality through SCI Purchasing if the Part Marking requirements are not clearly understood. The Part Marking specification must be listed on the C of C.

#### **SQP 5) Certificates of Conformance (C of C)**

The Supplier is required to submit a Certificate of Conformance indicating compliance to all SCI Purchase Order requirements. The Suppliers authorized representative (Quality Manager or designee) must sign the “C of C”.

As a minimum the C of C shall include:

- Name of Supplier
- C of C Date
- SCI Purchase Order (PO)

- Part Number and (Revision Letter for machining or assembly)
  - Quantity Shipped
  - Include all product related, process specifications and revision as called out on the SCI Purchase Order. General Customer based specifications listed on the purchase order are not required to be included on C of C. Process specifications are only those items that are required to adhere to blueprint requirements.
  - Where applicable, C of C must reference original manufacturer lot or heat number for material traceability.
- THIS IS REQUIRED FOR EVERY SHIPMENT.**

**SQP 6) Fixed Process Control** – The Supplier shall provide Travelers (Routers), Inspection Plans, and all applicable Work Instructions to SCI Quality for review and approval prior to the start of production. This SQP requirement is typically stated on the PO for Special Processes (see SQP 11) and for any recurring nonconforming issues that SCI believes are not in control by the Supplier. Suppliers must notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval. The current revision of S-1001 applies for orders with GE as end user.

**SQP 7) Inspection Plans and Sampling (In Process) Acceptance** - The Supplier shall establish and maintain documented processes for Inspection and Sampling (In Process) activities that verify product conformance. The supplier shall comply with the following requirements as defined on SCI Purchase Orders:

- 100% Inspection of every feature on every part is required when manufacturing non-production product. The Supplier must provide inspection reports with variable data for each part manufactured.
- For production product, 100% inspection is required of each characteristic on every piece manufactured until sampling is approved. Only SCI approved Sampling Plans can be used by SCI Suppliers. If the Supplier has a Sampling Plan process, it may be submitted for review and approval. Note: If a sampling plan is defined in a process specification on the Purchase Order and the supplier certifies to this document, this sampling plan is approved by SCI.
- Sampling Inspection for Nondestructive Inspection (e.g. Eddy Current, Radiographic, Magnetic Particle, Ultrasonic, and Fluorescent Penetrant) is **not** allowed. 100% Inspection is required.

The inspection of a product shall be traceable to the individual performing the acceptance per section **8.2.4, AS9100C**:  
**“Records shall indicate the person(s) authorizing release of product for delivery to the customer”.**

**SQP 8) Acceptance Test Procedure (ATP) Data** - The Supplier shall provide a copy of the test report containing test parameters and actual results. The report shall include copies of all supporting documentation such as strip charts and time/temperature readings. The report shall reference serial or lot numbers and shall be signed by the test operator and / or

responsible company official. The supplier shall reference the data produced by the functional tests on the Certificate of Conformance.

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**SQP 9) First Article Inspection:** The supplier shall provide objective evidence for the inspection, verification, and documentation of the first production article. First Article Inspection documentation shall include a list of the characteristics required from the Customer drawing and Parts List. A Delta (partial) First Article Inspection shall be performed for all customer changes to the product configuration. The First Article Inspection Report (AS9102 First Article Inspection Form) shall be submitted to SCI along with the actual product that was inspected for the FAI. The actual FAI part must be physically identified. SCI will provide “flagged” drawings and the AS9102 form 1, 2, and 3. If the Supplier uses a Coordinate Measuring Machine (CMM) to verify product conformity, then a copy of the CMM report must be sent with the FAI form.

**Note: SQP 9 only applies to the first shipment of the product or when there is a process change.**

**SQP 10) Statistical Process Control (SPC)** – SCI Customer requirements for SPC will be the noted on the SCI Purchase Order. The features that are required to be measured and tracked will also be defined on the Customer drawing. It is the responsibility of the Supplier to contact SCI if the Customer requirement is not clearly understood. All SPC data will be submitted to SCI along with the delivery of the product.

**SQP 11) Special Processes** - Suppliers shall be responsible for imposing satisfactory oversight and controls for any in-house or subcontracted special processing and non-destructive testing used on SCI product. National Aerospace and Defense Contractors Accreditation Program (NADCAP) or similar accreditation is the preferred method of approval for Special Processes.

**Note:** Loss of third party accreditation requires written notification to the SCI Supply Chain Manager or VP of Quality Assurance. SQP 6, Fixed Process Control may be added as a result of Loss of Accreditation or recurring nonconforming issues that SCI believes are not in control by the Supplier.

Special processes include:

- Non-destructive testing (radiographic, ultrasonic, fluorescent penetrant, magnetic particle, etc.)
- Non-conventional machining (i.e. Electrochemical Machining (ECM), Electrochemical Grinding (ECG), Electrical Discharge Machining (EDM), Laser Beam Machining (LBM), Chemical Milling)
- Shot Peening
- Chemical processing (i.e. Painting, Plating, Anodizing, Chemical Cleaning, Chemical Milling, Conversion / Phosphate Coatings, Paint / Dry Film Coatings, Plating, Stripping, Surface Treatment / Passivation, Etching)
- Materials testing (metals testing only, hardness, metallography, micro-hardness, mechanical testing, chemical analysis)

- Heat-treating, Hot Forming and Furnace Brazing
- Welding (i.e. Friction Stir, Electron Beam, Resistance, Laser, Fusion)
- Sealant application

**Note:** A Certificate of Conformance is required per SQP 5.

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**SQP 12) Source Inspection** - The supplier must contact SCI Quality when ready for source inspection within a reasonable amount of time (5 days minimum) to allow SCI to make arrangements for the visit and not jeopardize the On Time Delivery commitment to SCI's customer. If source inspection is to perform verification at supplier's premises, SCI shall state the intended verification arrangements and method of product release in the Purchase Order.

**SQP 13) DFARS – Defense Federal Acquisition Regulation Supplement** – Indicates DFARS 225.872-1 General, Contracting with qualifying country sources applies to the Purchase Order.

**SQP 14) DPAS – Defense Priorities and Allocations System** - This is a rated order certified for national defense use. You are required to follow all the provisions of the defense priorities and allocation system regulation (15 CFR Part 700).

**SQP 15) ITAR – International Traffic in Arms Regulation** – The supplier must not be foreign owned or controlled and must have necessary ITAR controls in place. Employees must be U.S. citizens, a legal immigrant with a Green card; or a “protected individual” (refugee/someone with asylum). Any technical information provided as a result of this purchase order, must be controlled as required by ITAR.