



Supplier Quality Requirements

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Q1.1 CERTIFICATE OF CONFORMANCE

The Seller shall furnish a Certificate of Conformance (C of C) with each shipment of each item listed on this purchase order. Where applicable this shall include test reports and airworthiness certificates of conformity. As a minimum, the C of C shall include the following information:

1. The Rache purchase order number
2. Part number and revision level
3. Material Lot number, date code, Batch/Heat number, as applicable.
4. A reference to all applicable specifications as listed on PO or drawings
5. Quantity and unit of measure for items shipped
6. Name and address of manufacturer/processor
7. Date of certification
8. Statement of Conformity
9. Signature of an authorized company representative

If the shipment contains multiple processed lots/batches/heats/date codes, then each processed lot/batch/heat/date code must be represented on the Certificate of Conformance, along with their respective quantities.

Q1.2 APPROVAL OF CHANGES

Rache requires the Seller to notify Rache Corporation in writing if there is any plan of making changes to material, process, tooling, location, personnel (training) that will affect the Seller's ability to meet product requirements. Prior to fulfilling Rache Corporation purchase orders, Rache Corporation must approve any/all changes in writing.

Q1.3 DELAY OF DELIVERY

Supplier shall meet all scheduled delivery dates as specified on the Rache Purchase Order. If the Supplier becomes aware of any circumstances that are likely to delay the promised delivery date, the Supplier shall immediately notify the Buyer, in writing, stating the reasons for the delay and the best estimated recover date. In case of delay in delivery, Rache Corp. reserves the right to cancel the purchase order without any liability to Rache Corp. or any other third party.

Q1.4 SPECIAL PROCESS APPROVAL

Special process suppliers are responsible for compliance to the applicable specifications, including customer special process approval, whether the operation is performed within their facility or flowed down per the Seller's purchase order to the Seller's subcontractor. Personnel performing special processes (i.e., soldering, plating, etc.) must be currently trained or certified to the applicable standards.

Q1.5 FLOW DOWN OF REQUIREMENTS

Rache requires the Seller to flow down to sub-tier suppliers the applicable requirements in the Purchase Order, including any key characteristics. When requested, objective evidence of flow down requirements is required.

Q1.6 NON-CONFORMANCES

Any deviation to Rache requirements set forth in this Purchase Order shall be documented and submitted to Rache for disposition prior to product shipment from Seller's facility. Supplier is required to notify Rache of nonconforming product, obtain approval from Rache for approval for nonconforming product disposition. Suggested dispositions, identifications of cause of non-conformance, and the corrective actions taken shall be submitted in writing. Further work shall not be performed until directed by Rache Corporation in writing. Supplier shall not ship non-conforming materials without proper identification indicating that material is non-conforming and should be segregated from conforming material. All non-conforming materials shall be clearly identified as to the nature of the non-conformance(s) when shipped to Rache Corporation. Upon approval to ship, all documentation relating to the nonconformance shall accompany the product at the time of shipment.

The Supplier shall provide prompt written notification within one business day when a nonconformance is discovered or suspected to have shipped to Rache Corporation.

Q1.7 CORRECTIVE ACTION

When a Quality or delivery problem exists, Rache Corporation may request a Corrective Action Report (SCAR) from the Supplier. SCAR shall be completed in the specified timeframe. The preferred method of response is Rache CAR form FR-1020-001. Supporting documentation and objective evidence of the actions performed are required in the SCAR response.

Failure to submit an acceptable scar response in the expected timeframe may result in disapproval as a Rache Supplier.

Q1.8 SUBCONTRACTING

The Seller is prohibited from subcontracting any portion of the work to be performed in the performance of this contract, without written authorization from Rache Corporation and will be cause for rejection. Upon approval, the Supplier shall flow down all relevant quality requirements to any sub-tier processors.

Q1.9 RECORD RETENTION AND QUALITY RECORDS

Unless otherwise specified on the Purchase Order, the Seller shall retain all required records as objective evidence of conformance to Purchase Order requirements.

All quality records are to be legible, reproducible, and identifiable to the purchase order. Quality records are to be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimize damage and to prevent loss. This applies to our suppliers and any lower-tier suppliers. The retention period for quality records is 10 years unless otherwise specified. Rache Corporation, our customers, or regulatory agency representative shall have access to review quality records as they pertain to this order.

Q1.10 CALIBRATION

The Seller shall provide and maintain a calibration system that meets at least one of the following requirements, as currently amended, in the performance of this contract:

- ANSI/NCSL Z540-1 American National standard for Calibration
- ISO 17025 General Requirements for the Competence of Testing and Calibration Laboratories

The Seller shall notify Rache immediately of out-of-tolerance conditions that may have impacted performance of contracts or purchase orders.

Q1.11 SUSPECT UNAPPROVED, UNAPPROVED, AND COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE

Flow down of suspect unapproved, unapproved, and counterfeit detection and avoidance requirements is required, including applicable system criteria provided herein, to subcontractors at all levels in the supply chain that are responsible for buying or selling electronic parts or assemblies containing electronic parts, or for performing authentication testing. Rache Suppliers and their sub-tiers are required to disclose the source of their parts if the parts should become suspect counterfeit or the subject of legal issue.

Any suspected counterfeit material/parts will be sent to an independent accredited laboratory for validation at the supplier's expense. Suspected counterfeit material/parts will be destroyed by Rache Corp. so as not to reenter the supply chain. Invoices for suspected counterfeit material/parts will not be paid.

Q1.12 CONFLICT MATERIALS/MINERALS

Rache requires all sub-tier suppliers to comply with the Dodd-Frank Act of 2010 which supports ending the violence and human rights violations in the mining of certain minerals from a location described as the "Conflict Region", which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. As a result, the U.S. Securities and Exchange Commission ("SEC") adopted final rules to implement reporting and disclosure requirements related to "conflict minerals," as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rules require manufacturers who file certain reports with the SEC to disclose whether the products they manufacture or contract to manufacture contain "conflict minerals" that are "necessary to the functionality or production" of those products.

Q1.13 PRODUCT AND SERVICE CONFORMITY AND IMPORTANCE OF ETHICAL BEHAVIOR

Supplier and its employees shall be aware of their contribution to product and service conformity as per applicable Rache or customer specifications and flow down requirements. The Supplier and its employees must be aware of the importance of their contribution to product safety. This includes applicable functional or electrical testing.

Rache expects our suppliers to provide their employees with a safe, healthy, and ethical workplace environment, that they treat their employees with dignity and respect, that they engage in environmentally friendly manufacturing practices, and that they comply with the law in all countries in which they do business.

Q1.14 PACKAGING / HANDLING

All items delivered on this order must be adequately preserved, packaged, handled, and contained to prevent deterioration and damage during shipment. If the shipment contains multiple processed lots/batches/heats/date codes, then each lot/batch/heat/date code must be segregated and clearly identified to maintain traceability in each shipment.

Q1.15 QUALITY SYSTEM REQUIREMENTS AND FLOWDOWN TO SUPPLIERS

The supplier shall implement and maintain a quality management system that complies with ISO 9001, AS9100 or an equivalent QMS system that provides assurance that the product supplied is in full compliance with the purchase order requirements and all applicable specifications. Compliance with these requirements is subject to audit by Rache Corporation. The supplier will flow down all applicable requirements of the purchase order to their suppliers to ensure conformance with all specifications, drawings, QMS requirements (i.e., ISO 9001, AS9100, or other QMS), regulations/laws, and other requirements, including key characteristics, as may be specified in the purchase order.

****Critical: if a supplier holds an AS9100, ISO 9001 or similar quality management certification, they are to advise Rache Corporation if their certification has expired as well as send us their new certifications upon their renewal****

Q1.16 FOD CLEANLINESS PROGRAM REQUIRED

Parts received must be free of foreign object debris, damage, or contaminants anywhere on the product. Supplier must establish a FOD program for the purpose of prevention, detection, and removal of foreign objects at their facility. FOD prevention must be implemented in all applicable areas and FOD awareness training performed.

Q1.17 HAZARDOUS MATERIALS

Hazardous materials as defined by the EPA, shall be packaged, and clearly identified in such manner as to include any and all special handling, packaging, storage, environmental, or other requirements imposed by status of regulation. SDS must be included with each shipment, if applicable.

Q1.18 RIGHT OF ENTRY

Rache Corporation reserves the right to review all applicable records, control methods, and inspect material pertaining to this purchase order at the supplier's plant and at any sub-tier plant. These access rights shall be extended to our customer and government or regulatory agency representatives.

Q1.19 KOBE STEEL ALERT

Rache Corporation prohibits the use of any materials and / or products procured from or through the KOBELCO KOBE STEEL GROUP without prior written approval from Rache Corporation. Reference GIDEP AAN-U-18-097 for additional information.

Q2.1 ORIGINAL MANUFACTURER CERTIFICATIONS

Certification traceability to the Original Manufacturer is required to be provided for the items on this purchase order.

Q2.2 CHEMICAL AND PHYSICAL TEST REPORTS

For each lot or heat of material supplied on this order, the Seller shall furnish a certified material test report showing the material description, including as applicable, the material name or designation, alloy, type, grade or condition, the producers (mill) name, the lot or heat number, and the material specification and revision to which the material complies. As a minimum, one of the following test reports shall accompany the shipment:

1. The Original Manufacturer's test report
2. An accredited laboratory's test report
3. An Authorized Distributor's test report

Q2.3 RAW MATERIAL TRACEABILITY

All items manufactured under this purchase order shall be traceable to raw material used. Traceability and inspection records shall be included with shipment of the product. Identification of raw material used shall include, as applicable, but not limited to, the following type of information: lot number, material type, specification, heat number, etc. Supplier shall adequately identify all material in such a manner that full traceability of raw material used is included. NOTE: supplier must include lot numbers of material supplied to the vendor (subcontracted items) as specified in the purchase order.

Q2.4 FIRST ARTICLE REQUIREMENTS

When the Seller is delivering the product of the first time or when a change occurs, the Seller shall provide a First Article Inspection Report in accordance with the requirements of the current revision of SAE AS9102. The supplier shall furnish a copy of the completed First Article Inspection results (including all material, processes, and other certifications required by the Purchase order and drawing) with the initial delivery of products. The FAIR shall be repeated and submitted any time there is a change per AS9102, or if required by the purchase order. The first article shall be submitted to Rache for review and acceptance prior to delivery of the product.

Q2.5 SHELF-LIFE CONTROL

The seller shall identify each item, package, or container that has a limited shelf-life material with the manufacture date, expiry date, storage temperature, special handling conditions and requirements. Suppliers are not to ship expired materials to Rache Corporation. Addition to the normal identification requirement of name, part number, specification number, type, size, quantity, and manufacturers recommended shelf life. This identification, including special handling conditions and requirements, shall be recorded on certifications and shipping documents for the material. Materials at the time of receipt at Rache Corporation shall have a minimum of 85% of their shelf life remaining.

Q2.6 DFARS 252.225 SPECIALTY METALS

The Seller shall provide certification that the materials furnished were melted in one of the approved qualified countries or in the United States in compliance with DFARS 252.225-7014 Preference for Domestic Specialty Metals, Alt 1.

Q2.7 SAFETY DATA SHEETS

If the nature or content of the Supplier's product requires a safety data sheet (SDS) the seller shall ensure that the SDS accompanies the shipment.

Q2.8 ROHS COMPLIANCE

Suppliers are required to offer products supporting Restriction of Hazardous Substances (RoHS) directive 2002/95/EC, ROHS2 Directive 2011/65/EU and amendment 2015/863/EU. The supplier shall ensure that product supplier to Rache Corporation shall be free of mercury or its contaminants at a level below the requirements specified by ROHS.

Q2.9 NADCAP ACCREDITATION

If an item on this purchase order contains heat treating, plating, surface finish, coating, NDT, chemical processing, or any other special process, the Supplier shall be Nadcap certified for the applicable process. This requirement must be flowed down to any sub-tier suppliers.

Q2.10 SPECIAL PROCESS TEST DATA

If an item on this purchase order contains heat treating, plating, surface finish, coating, NDT, chemical processing, or any other special process, a legible test report showing conformance to requirements is required to be furnished with the order.

Q3.1 GOVERNMENT SOURCE INSPECTION

Upon receipt of this purchase order, promptly send a copy to the Government Quality Representative that normally services your facility; or if there is none, to the nearest Defense Supply Agency Inspection Office (DCMA). If one of the above-mentioned agencies cannot be located in your area, contact the Rache Purchasing Department for instructions.

Q3.2 CUSTOMER SOURCE INSPECTION

Upon completion of the order and prior to shipment, notify Rache Purchasing Department so that arrangements can be made for a Customer Quality Source Inspector to visit your facility and perform a source inspection.

Q3.3 RACHE SOURCE-SOURCE INSPECTION

Upon completion of the order and prior to shipment, notify Rache Purchasing Department so that arrangements can be made for a Quality Representative from Rache Source to visit your facility and perform a source inspection.

Q3.4 100% VISUAL INSPECTION REQUIRED

Rache Corporation requires that all parts must be 100% visually inspected for cosmetic defects, scratches, blisters, FOD, or other damage by the Supplier.

Q3.5 100% DIMENSIONAL INSPECTION REQUIRED

Rache Corporation requires that all parts must be 100% dimensionally inspected by the Supplier. An inspection report with measurement results is required to be furnished with the shipment.

Q4.1 ITAR RESTRICTED USE

The supplier shall adhere to ITAR requirements for performing work or service involving ITAR compliance. In accordance with ITAR 22 C.F.R. 120-130 International Traffic in Arms

Regulation, all documents identified as ITAR controlled shall be identified, maintained in Document Control, and segregated from non-ITAR documents. Documents identified as ITAR controlled shall be viewed only by a US Person. A US Person means an entity that is: a US Citizen or a Legal Resident, or a US organization incorporated to do business in the United States.

Q4.2 DROP SHIPMENT

This purchase order requires a drop shipment of Rache-owned material. Supplier must check the quantity and condition of furnished material and perform complete inspection and/or test to verify compliance to requirements. Supplier must request approval to ship by submitting all documentation to Rache for review. This includes Inspection reports, manufacturing routers, material certs, sub-tier traceability, First Article reports, etc. If the documentation is found to be acceptable, written approval will be given to the Supplier along with any Rache documentation that is required to ship with the parts. After confirmation of delivery, the Supplier must forward proof of delivery to the Rache Buyer.