

Document Tier	Type	Document No.	Document Name	Location Applicability	Rev No.	Status
T2	SOP	16	Supplier Quality Manual (SQM)	CORP	02	Active



0.0 Introduction

This Supplier Quality Manual (SQM) is provided to assist the Supplier in understanding their responsibilities to AFGlobal Corporation and its entities as part of the contractual agreement between AFGlobal Corporation plants and its suppliers (for both products and services). AFGlobal Corporation is expecting a commitment from our supplier to perform activities in a manner that maintain product safety and ethical behaviors.

Suppliers are responsible for the Quality and Delivery of their Products and Services and expected to provide Products or Services with:

1. Zero Quality defects
2. 100 % on time Delivery performance with zero disruptions
3. On time responsiveness to issues within 24 hours

This Supplier Quality Manual is based on ISO9001:2015, AS9100 and API Q1 requirements; AFGlobal Corporation expects its suppliers to fully implement the processes and methods set forth in the Supplier Quality Manual. As well, be in full compliance with the requirements described within.

AFGlobal Corporation expects its Suppliers to develop and maintain a registered Quality System that meets the requirements of ISO 9001. Acceptance of an AFGlobal Corporation Purchase Order or First shipment of product, constitutes acceptance of the requirements set forth in this manual as well as Terms and Conditions set forth in the Purchase Order.

1.0 Confidentiality

The Supplier shall ensure the confidentiality of AFGlobal Corporation contracted products/ services, projects under development, and all related product information. As well, the confidentiality of intellectual property shared as a result of the working relationship.

2.0 Purpose

This Supplier Quality Manual describes the basic Supplier Management guidelines between the Supplier and AFGlobal Corporation regarding product and/or process related quality data, proper corrective measures, and change management.

3.0 Scope of Application

This Manual applies to all current and new suppliers who provide raw materials, purchased parts / components and sub-contracted services incorporated into AFGlobal Corporation's and its entities final product. These Suppliers are listed on the AFGlobal Corporation Approved Vendor List "AVL". The responsibility to deliver quality purchased parts and services on time lies with the Supplier.

Equally, the supplier is obliged to assure adherence to the requirements stated in the SQM by its own sub-suppliers.

4.0 Distributions

A copy of this manual and related supplier forms is available and readily accessible through the AFGlobal Corporation Quality Group, the supplier shall return back acknowledgement of receiving the manual to AFGlobal Corporation Quality group.

5.0 Documents and Records

AFGlobal Corporation is obliged to provide the supplier with the latest version of specifications and/or has to inform the supplier of any changes. Upon receiving any documents (e.g product/ services specifications, drawings, inspection reports), required for product/ services planning, the supplier is to check them for completeness, possible contradictions in general, and in regards to their application. Concerns have to be communicated to AFGlobal Corporation immediately for clarification.

The supplier is responsible for the active procurement of missing documents.

Unless additional requirements have been set forth by AFGlobal Corporation and the supplier, specifications and supporting Quality records have to be retained and stored for at least five years after service requirements terminate. Upon request, AFGlobal Corporation has the right to review supplier documents and records at the supplier's site.

The supplier's records are to include at a minimum:

1. Lot traceability information specific to raw material and purchased parts heats or lots "material providers".
2. Test results for products /services.
3. Test equipment calibration records.
4. Training/ Certification records for personnel to show qualification.
5. Process and product change records.
6. Certificates of compliance.
7. Approved deviation requests "If Any"

6.0 Supplier Initiated Process Changes

- 6.1 Suppliers shall not make any type of change that might affect product/ services design criteria without prior written notification and approval from AFGlobal Corporation.

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6.2 AFGlobal Corporation must be informed immediately when the supplier does not comply with the specifications agreed upon (e.g. test procedures, test equipment, process sequence, deadlines for delivery, quantities, packaging, drawings and agreements pertaining to product and process quality). In addition, a written approval by AFGlobal Corporation Quality Management is required for any changes, further actions might be taken in case of the product/services supplier does not show a commitment to this requirement. Actions might include but are not limited to, termination of relationship and/or re-evaluation.

6.3 The Supplier shall inform the Purchasing and Quality Departments of AFGlobal Corporation immediately prior to making changes to the production/manufacturing process:

Making changes to materials or vendor parts,

Moving manufacturing locations,

Any change of test equipment and test procedures affecting final product conformity,

Changes to qualified personnel affecting final product/ Service Quality

Changes to personnel affecting communication

Changing sub-suppliers and suppliers of primary and interim products, packaging or labeling changes.

6.4 This will allow AFGlobal Corporation to examine the impacts to AFGlobal Corporation and its customers prior to changes being implemented. Appropriate measures may be taken (e.g. renewed sampling, auditing of new/changed processes/manufacturing locations).

Submission and approval is required

If it requires reporting the changes, the Supplier Deviation Request form attached to this manual shall be used.

7.0 Quality System Requirements

The supplier has to provide proof that the Quality Management System meets or exceeds the requirements set forth in ISO 9001. Having an ISO 9001 qualified facility is a plus.

7.1 In the absence of third-party certification, depending on the product, its application, value, and criticality, AFGlobal Corporation Quality representative may authorize the acceptance of other evidence of compliance. This may include second- audit (Vendor Audit) or first-party (self) assessment to the applicable criteria above, or to a set of alternative basic quality requirements (Supplier Survey).

8.0 Supplier Audits

8.1 AFGlobal Corporation reserves the right to perform an onsite process / system audit at any time when selecting a supplier or to verify effectiveness regarding corrective and preventive actions. Advanced notice will be given prior to such a visit.

8.2 AFGlobal Corporation may forgo audits in the following cases;

Proof of a current 3rd-party certificate (by an accredited certification authority).

Proof of an effective implementation of measures specified during a previous auditing process and/or proof of an actively pursued implementation plan.

8.3 Suppliers shall inform AFGlobal Corporation about intended changes (re-certification, higher qualifications, expiration of certificates or loss of certification, and must do so in a timely fashion).

8.4 AFGlobal Corporation may schedule process/product or QMS audits where:

Supplier performance for quality or delivery does not meet AFGlobal Corporation expectations.

New or changed Products/ Services are being implemented.

Significant change in the suppliers' management, or mergers or affiliations has taken place.

9.0 Supplier Evaluation: Performance Measurable

9.1 AFGlobal Corporation measures the suppliers' performance as follows:

9.2 Product Quality "NCR"

9.3 Delivery Schedule Performance,

9.4 Suppliers are required to maintain a 100% Quality and Delivery rating. Suppliers falling below 90% will be asked to provide a documented corrective action plan.

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- 9.5** In case of supplier performance below 70%, AFGlobal Corporation will consider further actions; actions might include terminating supplier from AVL.
- 9.6** AFGlobal Corporation also tracks Supplier issues pertaining to:
- Escapes
 - Deviation Waiver requests received from supplier.
 - Failure to implement effective corrective action with supporting performance improvements may lead to the supplier being removed from the AFGlobal Corporation Approved Supplier List "AVL".
- 9.7** If the supplier is recommended by customer, AFGlobal Corporation customers shall be notified on the supplier performance status.
- 9.8** AFGlobal Corporation requesting 24 hours for an initial response to the Supplier Corrective Action Request" SCAR", closing date will be stated inside the SCAR issued by AFGlobal Corporation

10.0 CONTROL OF SUB-TIER SUPPLIERS

- 10.1** The Supplier, as the recipient of the contract, is responsible for meeting all requirements, including work performed by the Supplier's sub-tier Suppliers (also known as Sub-Suppliers or subcontract Suppliers).
- 10.2** When the Supplier uses sub-tier sources to perform work on products and/or services scheduled for delivery to AFGlobal Corporation, the Supplier shall include flow-down requirements on contracts/ Purchase Orders, to its sub-tier sources, all of the applicable technical and quality requirements contained in the AFGlobal Corporation contract/ Purchase order, including quality system requirements, regulatory requirements, the use of AFGlobal Corporation designated sources, and the requirement to document and control 'key characteristics' and/or 'key processes,' and to furnish certifications and test reports as required.
- 10.3** AFGlobal Corporation, its customers, and regulatory authorities reserve the rights to access to the applicable areas of facilities and to applicable documented information, at any level of the supply chain that includes the right of- entry to sub-tier facilities, subject to proprietary considerations.
- 10.4** As applicable, AFGlobal Corporation might ask the supplier for first article witness, the reason is to make sure that supplier capability, and process controls meet the minimum requirements communicated by AFGlobal Corporation.

11.0 CONTROL AND RELEASE OF AFGlobal Corporation FURNISHED DOCUMENTS

- 11.1** Documents furnished by AFGlobal Corporation to the Supplier are furnished solely for the purpose of doing business with AFGlobal Corporation.
- 11.2** Proprietary documents may be furnished to the Supplier in hard copy, electronic or other media as agreed. The Supplier is responsible for controlling and maintaining such documents to preclude improper use, loss, damage, alteration and/or deterioration.
- 11.3** Unless authorized by the AFGlobal Corporation Buyer in writing, the Supplier may not transmit or furnish any AFGlobal Corporation furnished documents, or copies of such documents, to anyone outside the Supplier's business organization except to a sub-tier source used by the Supplier for performance of work on the AFGlobal Corporation contract.
- 11.4** The Supplier shall return to AFGlobal Corporation or purge electronic copies of, all proprietary documents with the last delivery of products or services on the contract. AFGlobal Corporation may request the Supplier to furnish objective evidence or certification that proprietary documents have been purged. The Supplier shall flow down this requirement to all sub-tier sources, when such sources will be in receipt of AFGlobal Corporation proprietary documents during performance of work for the Supplier.

12.0 Measurement and Test Equipment

- 12.1** The Supplier is required to prove reliability and accuracy of the measuring and test equipment used.
- 12.2** The Supplier is to show that the test process is suitable for the respective test purpose.
- 12.3** The test equipment has to be included in the Supplier's test equipment monitoring and calibration process.

13.0 Product Inspection and Process Control

- 13.1** Records of ongoing process and product control must be available to AFGlobal Corporation on request.
- 13.2** The Supplier must immediately analyze possible causes, take corrective measures and prove effectiveness of such measures in case of failure.
- 13.3** Suppliers shall allow AFGlobal Corporation and its customers or customer representatives the right to verify at the Supplier's premises that the purchased product or service meets specified requirements.

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14.0 Preservation of products” Handling/Storage/Packaging and Delivery”

- 14.1 The Supplier is obliged to use appropriate means and methods of handling, storage, packaging and delivery methods so as to avoid adverse effects on product quality.
- 14.2 Personnel responsible for the preservation of the product shall have enough skills, experience, knowledge and qualifications to deal with AFGlobal Corporation requirements unless otherwise specified. Packaging is the responsibility of the Supplier.
- 14.3 All product shipped to AFGlobal Corporation requires a label containing at a minimum “As applicable”:

Supplier Name:
 AFGlobal Corporation Purchase Order No:
 Part Serial Number:
 Part Number:
 Heat Number:
 Quantity:

15.0 Where traceability is a requirement, in case of products sent for operations might affect product traceability, re-applying the traceability to the product is a requirement.

Note: The Bill of Lading will contain the above information including Quantities per Lot number for traceability purposes.

16.0 Control of Non-Conforming products

- 16.1 Non-conforming or discrepant product is defined as a deviation from drawing or purchase order requirements such as quality, appearance, packaging, material, labeling, quantity, handling, shipping, delivery, cleanliness, dimensional or performance issues
- 16.2 Products, which have been deemed defective at the supplier’s facility (incl. those caused by a sub-supplier), must be managed appropriately to protect AFGlobal Corporation from receiving discrepant material.
- 16.3 Unless it can be ruled out that defective parts have been delivered to AFGlobal Corporation, the AFGlobal Corporation quality department must be informed immediately to determine suitable measures and containment actions.
- 16.4 Since delivering non-confirming products to AFGlobal Corporation have a potential business impact regarding future business, AFGlobal Corporation will take an appropriate action considering the business potential and existing business risk, actions might include but are not limited to, Issue SCAR, Complaints, NCR, and/ or termination from AFGlobal Corporation AVL.
- 16.5 The AFGlobal Corporation Engineering and Quality Departments may approve deviations from specifications, where adverse effects for function, durability, or safety are not to be expected. These special releases are only valid for a limited delivery period or quantity and must be documented properly between the supplier and AFGlobal Corporation.
- 16.6 Approval provided only by AFGlobal Corporation controlled document attached to this Manual.
- 16.7 AFGlobal Corporation expects the supplier to be incorporated into the counterfeit parts program that is set by AFGlobal. Reference to the counterfeit parts prevention policy attached to this manual

17.0 Supplier Complaints

- 17.1 Upon detection of defective purchased parts (or service) at AFGlobal Corporation a Supplier Complaint initiated and e-mailed to the Supplier, it is required from the supplier to initially respond back to AFGlobal Corporation Representative.
- 17.2 Phone contact is made with the Supplier and decision is made in cooperation with the Supplier (and if necessary with the sub-supplier) regarding the handling and containment of such parts.
- 17.3 In case of late delivery and/ or non-conforming products, SCAR and Supplier complaint will be provided to the supplier, further actions will be discussed with AFGlobal Corporation management team, actions might include supplier termination, considering that AFGlobal Corporation are looking forward to continue with product/ Services suppliers that are fulfilled AFGlobal Corporation requirements.
- 17.4 In case the suppliers are listed and recommended by AFGlobal Corporation suppliers, and no reply to the Supplier complaints and taking an immediate action to eliminate root caused for the detected non-conformity and/or late delivery, Supplier complaints will be provided to AFGlobal’s Customers and notice for supplier replacement will be issued to the customer.
- 17.5 Actions that might be applicable for the concern,
- 17.6 The immediate return of the entire shipment to the Supplier (if necessary in cooperation with a AFGlobal Corporation Management team). Replacement certified stock is expected in a timely manner so as not to cause disruption to Production.

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- 17.7** Sorting by a third party provider. (Rework requires AFGlobal’s Quality/ Engineering approval) Use of 3rd Party to sort/rework defective product does not relieve the Supplier of their responsibility for the Quality or Delivery of product.
- 17.8** Sorting measures at AFGlobal Corporation and possible rework by the Supplier at AFGlobal Corporation Costs incurred by AFGlobal Corporation will be recovered from the supplier.
- 17.9** In case of non-compliance with the goals set forth, the Supplier must establish a plan for improvement and submit the plan to AFGlobal Corporation Quality Group for evaluation. Failure to implement effective corrective actions for Quality or Delivery performance will lead to removal from the AFGlobal Corporation Approved Vendor List ‘AVL” as an approved Supplier.

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Appendix 1
AFGlobal Corporation Counterfeit parts prevention policy

Document Tier	Code	Document No.	Area	Document Name	Applicability	Rev. Level
T1	CP	01	QLT	COUNTERFEIT PARTS PREVENTION POLICY	AS	01

AFGlobal Corporation- Applied Technologies developed and implements a Counterfeit Parts Policy to eliminate the exposure of counterfeit parts and components to the company and ultimately to the customer or end user.

1. The purpose of this policy is to
 - 1.1. Purchase material from reliable sources.
 - 1.2. Assure compliance and conformance of the purchased material through defining the methods of certification, traceability, testing and inspection.
 - 1.3. Identification of qualified material
 - 1.4. Control of counterfeit or suspected material from processing
 - 1.5. Customer notifications and product recalls.
2. Applicability
 - 2.1. This policy is applicable at all AFGlobal Corporation Locations listed in the Quality Management System Manual section 4.3 Table 1
3. Process
 - 3.1. AFGlobal Corporation eliminate the entry of counterfeit parts/ material that are incorporated into AFGlobal Corporation- Applied Technologies products that will be used for any Aerospace application, and/ or military systems by the use of approved and qualified vendors for the purchased material and services, and applying controls by receiving inspection and verification of attached documented information.
 - 3.2. If discovered, AFGlobal Corporation- Applied Technologies treats counterfeit material/ product/ services as a non-conforming product/ services. The suspected products to be segregated and reported to the Site Quality Manager **immediately**.
 - 3.3. Supply chain, and AFGlobal Corporation- Applied Technologies Sr. Management with the help of AFGlobal corporate Quality team will investigate how it's been received, origin, evaluate other suspected batches including products shipped to the customer, and customer notifications if required.
 - 3.4. When reporting counterfeit parts, AFGlobal Corporation- Applied Technologies shall evaluate risks including residual risks associated with counterfeit part detection event.
 - 3.5. Relevant personnel will be trained as appropriate to their function on the awareness, avoidance, detection, reporting, segregation, and disposition of counterfeit material.
 - 3.6. During the process for adding critical vendors AFGlobal Corporation- Applied Technologies Shall assess risk associated with that type of vendor on receiving counterfeit material
 - 3.7. Critical vendors that might product counterfeit parts shall provide the list of documents below as an evidences that the material comply with this policy
 - 3.7.1. Certificate of Conformance
 - 3.7.2. Product Test and inspections
 - 3.7.3. Traceability information
 - 3.8. Material control by identification ad segregation of suspect of confirmed counterfeit material
 - 3.9. Confirmation of compliance, this will require further inspection, testing verification and review of information
 - 3.10. After investigation, material to either destroyed or returned to the supplier as applicable.

T1-CP-01-QLT-AS-counterfeit parts prevention policy- Rev 01