



AS9100D SUPPLIER FLOW DOWN REQUIREMENTS

ESS-APG- 026

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The Supplier requirements below apply to all Suppliers and sub-tier Suppliers to Epsilon Systems Solutions Inc. (hereby identified as ESS) providing parts, raw materials and services. Acceptance of a Purchase Order from ESS binds the Supplier to the Terms and Conditions listed in the Purchase Order and the requirements listed in this document. The Supplier is not authorized to outsource any portion of the Purchase Order requirements unless specifically authorized by ESS and must flow down these requirements to any sub-tier Suppliers. Note that these requirements correspond with the requirements of ESS's customers and with the requirements of AS9100, Clause 8.4.3.

- A.) the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions);

Refer to ESS Purchase Order for this information.

- B.) the approval of: products and services; methods, processes, and equipment; the release of products and services;

Each shipment must be accompanied by one legible copy of a certificate of analysis (C of A) or certificate of Compliance (C of C). Material certifications shall show quantitative analysis of each element and physical testing as required by specifications referenced. Traceability for Raw Material is required and shall be retained and provided to ESS with product. Final acceptance of product will be at ESS after receiving inspection.

- C.) competence, including any required qualification of persons;

Supplier shall ensure that employees and people working on its behalf are competent and trained in accordance with the requirements of AS9100, where applicable.

- D.) the Supplier's interactions with ESS;

In addition to the other requirements recorded within this document, Suppliers shall hold all information received from ESS in confidence and no third party request for information will be authorized unless approved, in writing, by ESS.

- E.) control and monitoring of Supplier's performance to be applied by ESS;

ESS will score Suppliers based on Quality, Delivery, and/or Service. Suppliers will be issued Discrepancy Reports as warranted. Supplier late shipments and DRs will be reviewed at Management review meetings for increased action at Management's discretion. Any outcomes will be documented in Management Review Meeting Minutes. Suppliers that fail to perform in these areas may receive further Corrective Actions and may be considered for probation or removal from ESS Approved Supplier List.

- F.) verification or validation activities that ESS, or its customer, intends to perform at Supplier's premises;

ESS and its customers reserve the right to perform verification and/or validation activities at the Supplier's premises.

- G.) design and development control;



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Design and development control will be identified by revisions and provided in the Purchase Order.

- H.) special requirements, critical items, or key characteristics;

As per the requirements of AS9100, Supplier is responsible for the validation, and periodic revalidation, of the ability to achieve planned results of the processes for production and service provision, where the resulting output cannot be verified by subsequent monitoring or measurement.

- I.) test, inspection, and verification (including production process verification);

For calibration Purchase Orders, all gauges and instruments must be calibrated using standards whose accuracies are traceable to the National Institute of Standards and Technology. All provided calibration certifications must specifically state this traceability. Supplier will maintain a quality/inspection system that will ensure all goods and services conform to contract requirements whether manufactured or processed by Supplier or procured from Sub-Tier Suppliers and that fully complies with the requirements of AS9100.

- J.) the use of statistical techniques for product acceptance and related instructions for acceptance by ESS;

The Supplier will use a sampling plan, consistent with typical industry standards, unless otherwise specified or agreed upon in writing by ESS.

- K.) the need to:

- implement a quality management system;

When specifically requested by ESS in writing, Supplier will maintain a quality system in compliance to recognized Quality Management Systems and/or approved by ESS.

- use customer-designated or approved external providers, including process sources (e.g., special processes);

When required ESS or by ESS's customers, Suppliers will use customer-specified sources.

- notify ESS of nonconforming processes, products, or services and obtain approval for their disposition;

ESS will not accept Supplier product that does not meet Purchase Order requirements. Supplier product discovered after shipment by the Supplier to be nonconforming to any Purchase Order requirement shall be immediately disclosed to ESS upon discovery, including but not limited to quantity shipped, date shipped, and the extent of the nonconformance. Suppliers that receive notification of Nonconforming product shall take appropriate action to contain the nonconforming condition and prevent it from occurring again. The Supplier will be notified if formal Corrective Action is required to be



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submitted to ESS. The response shall be submitted within 1 week of issue or a time frame agreed upon between ESS and the Supplier. Errors with paperwork shall be resolved within 24 hours.

- prevent the use of counterfeit parts (see 8.1.4);

To prevent the purchase of counterfeit or suspect / unapproved products and to ensure product identification and traceability (and for other reasons), Supplier will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation as is appropriate. Material and part substitutions are not allowed.

- notify ESS of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain ESS's approval;

Supplier will notify ESS of any change in ownership, management, or location and are subject to re-survey and approval. Supplier will notify ESS of any product or process changes or changes in approval status that affect ESS product and are subject to re- survey and approval.

- flow down to external providers applicable requirements including customer requirements;

Suppliers shall flow-down to Sub-Tier Suppliers the applicable requirements as required by the purchase order either specifically or by reference.

- provide test specimens for design approval, inspection/verification, investigation, or auditing;

When requested by ESS or its customers, Supplier will provide test specimens for inspection/verification, investigation and/or auditing purposes.

- retain documented information, including retention periods and disposition requirements;

Unless otherwise specified on the Purchase Order, the latest specification revision in effect at the time the lot of raw material/parts was originally manufactured or processed shall apply. In the event a document has been superseded, the latest revision of the superseding document shall apply. All certifications, test reports, and inspection reports, as well as receiving inspection, in- process inspection, final inspection, and calibration records shall be retained for a minimum of seven years, unless otherwise specified by ESS. These records will be made available to ESS, ESS's customers, or regulatory agency upon request.

- L.) the right of access by ESS, ESS's customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;

ESS and ESS's customers reserve the right to perform an on-site inspection of the Supplier's facility or visit the facility. ESS will give reasonable notification to the Supplier prior to the on-site inspection. The on-site inspection may include surveillance of the Supplier's facilities, procedures, production methods, processes, and the Supplier's Quality System. The Supplier shall furnish, at no cost, the necessary data as required by applicable Purchase Orders, specifications, and inspection instructions to facilitate the on-site inspection.



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M.) ensuring that persons are aware of:

- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behavior.

Supplier must be committed to the highest standards of ethics and business conduct. Supplier must comply with the law, honor commitments, act in good faith, and be accountable. Supplier must strive to maintain full compliance with all laws and regulations applicable to the operation of the business and customer relationships. Supplier must not offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to engage in unfair business practices. Supplier will avoid involvement in activities that may be perceived as a conflict-of-interest. Supplier will respect the legitimate proprietary rights and intellectual property rights of customers and Suppliers and take proper care to protect sensitive information, including confidential, proprietary and personal information. Supplier will support product safety by ensuring robust management of special requirements, critical items and key characteristics. If there are concerns with respect to product safety, Supplier will communicate them to ESS. If there is a concern at the Supplier's premises with respect to safety during the manufacture of the product, Supplier will notify its own employees of the concern and whenever possible, mitigate the concern. Supplier will ensure that employees and people working on its behalf are aware of:

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