

Quality System Requirements

VB Seals, Inc. encourages External Providers to implement fundamental quality management systems that include configuration management, risk-based thinking, are process based, and continuously improve their processes and systems.

VB Seals, Inc. does not require certification to ISO or AS but the supplier shall implement and maintain a quality management system that reflects requirements of ISO 9001:2015, AS9100: 2016 Rev D or MIL-PRF-31032.

For special processes, NADCAP accreditation is required. All special processes required by this purchase order must be performed by qualified personnel.

All Suppliers providing calibration services must be certified to ISO17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).

It is the External Providers responsibility to provide an updated QMS or NADCAP certificate to VB Seals, Inc. when current one expires.

External Providers must have a process in place to:

- Make employees aware of contribution to product quality
- Their contribution to product safety
- Importance of ethical behavior

VB Seals, Inc., and their interested parties have the right of access to all applicable areas within the External Providers facility and documented information at any level of the supply chain.

Traceability

The supplier shall have a documented process to maintain trace of product & services, constituent parts, special processes, and material through all stages of production, processing and distribution. The supplier shall have capability of tracing backward from fabricated hardware to the records or material from which the item, part, and material originated. In cases where the customer provides specific traceability or serialization requirements, this traceability shall be maintained throughout the process. Identification and retrieval shall be required through all levels of higher assembly.

Record Retention

The External Provider shall retain documented information for a minimum of 10 years (unless otherwise specified) and shall be available to VB Seals, Inc. when requested.

External Provider Assessment

New External Providers will be required to complete a supplier survey.

First Articles may be requested if the requirement is "flowed down" by VB Seals, Inc.' customer. In some cases, special forms such as AS9102 current revision may be required and will be noted on the Purchase Order. This form must be returned with product unless a waiver is received by the External Provider prior to shipping product back to VB Seals, Inc., along with expected date of completion.

Foreign Object Debris (FOD)

As applicable, Supplier will take necessary steps during processing and packaging to prevent addition of any foreign object debris or contaminates. Supplier shall have a F.O.D. prevention and training program adequate enough to ensure compliance.

Process Changes

Process changes must be communicated, and approved (prior to change) if any of the following occur:

- **Quality Management System status change (e.g. QMS certification or withdrawal)**

- **Change in processes**
- **Change in materials**
- **Change in management**
- **Contact change**
- **Location change**
- **Equipment change**
- **Use of Sub-Tier External Provider**

Note- All changes must be submitted in writing or electronically to VB Seals, Inc.'s Quality Process Engineer prior to changes being made.

Problem Resolution

When non-conforming product is identified, the External Provider will take swift action to bring resolution to the problem.

If the requirements cannot be met, written approval or deviation must be obtained from the Purchasing agent or Quality Engineer at VB Seals, Inc, prior to shipping non-conforming product. VB Seals, Inc. reserves the right to reject non-conforming material/services provided at the External Providers expense without this documentation.

Rejection Policy

Products that fail to meet VB Seals, Inc. stated requirements will be rejected. VB Seals, Inc. will make the decision whether stock is to be sorted internally to maintain production needs in which case the External Provider will be charged back for costs related to the sort, or will be responsible for the sort. The External Provider may be asked to sort the product at VB Seals, Inc. facility depending on severity. When a rejection occurs, the Purchasing Manager will request an RMA (Return Material Authorization). The product will be returned at the External Providers expense. Inventory will be contained until it is deemed acceptable. The non- conformance will be noted on the External Provider's annual Quality Rating.

Corrective Action Process

Upon receipt of non-conforming product, a corrective action may be issued depending on the severity of the occurrence. The containment response must be communicated to VB Seals, Inc.' Purchasing Manager within 24 hours, and the completed corrective action submitted within 10 business days of the date issued or days may be reduced due to severity. If the due date cannot be met, it is the External Providers responsibility to communicate this to VB Seals, Inc.' Quality Engineer and a new due date will be agreed upon.

Corrective Action may also be initiated if the External Providers rating is not maintained at the required levels as noted in this manual. Upon annual review of the External Provider's performance, the Purchasing Engineer and Quality Process Engineer may initiate written notification of declining performance. This notification will communicate the reason for the notification and whether or not corrective action will be required. The External Provider can use their own form to complete the corrective action. The form must be submitted to VB Seals, Inc. Quality Engineer for review/ rejection/ approval.

Delivery Requirements

External Providers are required to maintain on-time delivery per rating criteria. This criteria is based off of delivery being accepted 5 days early to 1 day late, unless special delivery is requested. If an External Provider will not be able to deliver product by the required due date, it the external provider's responsibility to notify VB Seals, Inc.'s Purchasing agent as soon as possible to schedule an acceptable delivery due date. The quality rating will be adjusted to reflect this change if required. Partial shipments will be accepted pending prior approval.

Flow down to sub-tier External Providers

External Providers must not flow down work to sub-tier External Providers unless approval has been received from VB Seals, Inc. Once approval has been received, all applicable requirements must be noted in the purchasing documents, including key characteristics when required.

Rating Metrics

Supplier Evaluation takes place at a minimum of once per year and will be reviewed at the VB Management Review Meeting. The evaluation is based on the data entered and collected in Step 1 of this procedure. The data is analyzed, and a Supplier Rating is assigned to each supplier based on the on-time delivery statistics and percentage of rejected shipments. Supplier ratings are defined as a number i.e. 1 thru 4. The highest/best rating is 1, and the lowest/worst rating is 4. The rating is assigned based on the supplier’s previous-year performance. This is illustrated in the table below.

Note: All suppliers with a rating of 4 are subject to re-evaluation. This involves contacting the supplier formally, in writing, and making them aware that their performance is unacceptable. If the supplier’s rating does not improve to at least a level 3 within the next review period, the supplier may risk dismissal.

Supplier Rating	Collective Percentage (Percent On Time + Percent Accepted)
1	180-200
2	160-179
3	140-159
4	<140

Confidentiality Agreement

External Providers shall not disclose to others or use for its’ own purposes any trade secrets, confidential information, or confidential documents (e.g. prints, customer specifications, etc.) obtained from VB Seals, Inc. All supplied documentation and/or data shall be considered confidential. If supplied documentation needs to be shared for any reason, prior approval must be obtained from VB Seals, Inc.

Counterfeit Parts

The External Provider will not ship any counterfeit product to VB Seals, Inc. and must have controls in place to prevent the use and detection of any such product(s).

Cost Recovery

External Providers will be responsible for all associated recovery costs for defective materials or insufficient documentation supplied to VB Seals, Inc.. Costs may include but are not limited:

- Administrative
- Rework charges incurred
- Freight charges
- Production downtime

Procurement Quality Requirements

- Every shipment must contain a packing slip with VB Seals, Inc. purchase order Number, quantity, part number, and LOT/BATCH.
- Certificate of compliance
- Certificate of Analysis (if requested)- (Raw materials/ chemicals)
- All products must have manufactured date and expiration date on the label
- All first-time shipments must contain an MSDS (material safety data sheet)

- Material should come from one lot when possible, if not **Multiple lots must be clearly identified on labeling, packing list, and invoice.**
- Material must have a minimum of 50% of total shelf life remaining when received
- All orders must be confirmed to VB Seals, Inc. by email Confirm ship date, method of shipping, quantity and price
- Receiving hours are Monday through Friday 7 AM to 5 PM
- 30-day advance notification of any pricing increase is required
- Seller agrees to comply with applicable FAR and FAR Supplement Clauses