

 <b>PAN PACIFIC ELECTRONICS</b>	<b>Document Number:</b>	<b>Approved by:</b>	<b>Revision Number:</b>	<b>Revision Date:</b>	<b>Page Number:</b>
	<b>FRM-925</b>	<b>Quality Manager</b>	<b>G</b>	<b>1/4/2018</b>	<b>1 of 3</b>
	<b>Document Name:</b>	<b>GENERAL SUPPLIER QUALITY REQUIREMENTS</b>			

## GENERAL SUPPLIER QUALITY REQUIREMENTS

### 1. General Quality Requirements

#### 1.1 The Seller shall:

- a) Meet all the requirements of the latest revision of the General Supplier Quality Requirements (including Terms and Conditions) and all applicable requirements therein in effect as of the date of the purchase order.
- b) Ensure all applicable quality requirements are imposed (flowed down) upon sub-tier suppliers and manufacturing facilities in their purchasing documents.
- c) Changes to the design, materials and/or processes which affect form, fit, quality, reliability and/or safety shall not be accepted without prior written authorization from Pan Pacific Electronics.
- d) No reworked, refurbished and/or overhauled product will be accepted. Pan Pacific Electronics will hold suppliers liable for any deviations of product/manufacture tampering to part numbers listed on the purchase order. Any exceptions must be approved, in writing, by Pan Pacific Electronics' management team.
- e) If any parts supplied are ITAR regulated, Pan Pacific Electronics must be notified, in writing, before processing the order.
- f) At a minimum, have and maintain a quality system that is compliant with a currently published and maintained consensus industry standard quality system specification to Seller's activities.
- g) Notify Pan Pacific Electronics, in writing, at least 90 days in advance of any sale, relocation and/or transfer of Seller's manufacturing operations.
- h) Upon request by Pan Pacific Electronics, provide all Seller records, reports, specifications, drawings, inspection and test records and/or any other documentation in English.
- i) Acknowledgement of the purchase order is required by fax or email before the Pan Pacific Electronics' buyer will activate the purchase order.
- j) Ensure that all personnel are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

### 2. Specifications, Revision Control and Part Substitution

- 2.1 All products ordered to the Government or manufacturer's specifications shall comply with current revisions as of the date of the order unless otherwise on the purchase order. Part substitution is not authorized without prior written consent, including the part number, description and drawing revision where applicable.

### 3. Certified Materials

- 3.1 Seller shall establish and maintain controls to prevent the use of non-certified materials when certified materials are required.

### 4. Certificate of Conformance (CoC)

- 4.1 Seller shall prepare a Certificate of Conformance (CoC) asserting that the items contained with the shipment are in total compliance with all applicable requirements of this purchase order. Seller shall include a copy of the CoC inside the Seller's shipping container.

### 5. Counterfeit Parts Prevention

- 5.1 Seller shall meet all the latest of the latest revision of the Counterfeit Parts Prevention Policy (FRM-926) and all applicable requirements therein in effect as of the date of the purchase order.

### 6. Critical Items Outsourcing

- 6.1 Seller shall notify Pan Pacific Electronics, in writing, when any key characteristic, interchangeable-replaceable features, fracture critical features, durability critical features, maintenance critical features, safety critical features, critical safety hardware features, mission abort critical features, and/or Seller changes affecting fit, form and/or function are to be subcontracted.

### 7. Calibration

- 7.1 Seller shall maintain a documented calibration system for the control and maintenance of measuring and test equipment. The calibration system shall be documented, traceable and provide for initial and re-calibration during the life of the equipment to acceptable industry standards and requirements.

### 8. Electrostatic Discharge Damage (ESD) Protection

- 8.1 Components that are susceptible to ESD shall be handled and packaged to prevent ESD. All components that contain ESD sensitive devices shall be wrapped in a static shielding barrier in direct contact with and fully surrounding the unit. Containers shall be marked as containing ESD sensitive devices.



**9. Control and Identification of Limited Shelf Life Items**

9.1 Items with limited shelf life shall be marked on the item, package or container with the manufactured date, storage temperature, special handling requirements and expiration date of the item. All identification markings shall be placed in accordance with the applicable specifications. Items that have less than a 75% shelf life remaining will not be delivered or accepted without prior written approval.

**10. Control of Nonconforming Product and Corrective Action**

10.1 Seller shall implement and maintain a documented quality system that provides for identification, documentation, disposition (including scrap disposal) and records of nonconforming product. Seller shall ensure that effective corrective and/or preventive action is taken to prevent, minimize or eliminate nonconformities. Seller's quality management system shall ensure that nonconforming product is not used for production purposes.

10.2 Seller shall evaluate nonconforming product(s) for its potential to exist in previously produced or delivered items, or items in transit to Pan Pacific Electronics. If a nonconformance exists, the Seller shall notify Pan Pacific Electronics, in writing, within 24 hours for issues (if applicable) impacting flight safety or for items in transit to Pan Pacific Electronics, and, in writing within 5 working days for all other issues.

10.3 Seller shall provide root cause analysis, effective corrective and/or preventive action as requested via Seller's internal document. All Pan Pacific Electronics' identified nonconformities shall be assessed whether or not the product was returned to Seller and appropriate actions taken to ensure causes of nonconformance are corrected.

10.4 Seller shall not ship nonconforming material with the intent of delivering nonconforming product without written authorization from Pan Pacific Electronics.

**11. Quality Assurance**

11.1 The Pan Pacific Electronics' Quality Assurance department will process all vendor rejected material documentation to the Operations Director and will notify the Seller of the nonconforming product.

11.2 The results of such nonconformance will be recorded and retained in the quality record system for a period of not less than five years.

**12. Supplier Approval Rating**

12.1 The Seller's quality performance will be reviewed on a quarterly and annual basis. Sellers that consistently have an unsatisfactory rating may not be included in bidding of new business. A Seller with a performance rating of less than 94% or lower on quality and 79% or lower with on-time delivery for three consecutive quarterly periods will be unapproved and removed from our approved supplier list.

**13. Shipping and Delivery Instructions**

13.1 Delivery shall be in strict accordance to the delivery schedule specified with the purchase order. When deliveries are past due, Pan Pacific Electronics must be notified immediately.

13.2 The purchase order number must appear on all packing slips, invoices, correspondences, etc.

13.3 Certificate(s) of Conformance (CoC) must accompany each shipment certifying that the articles listed conform to the contract, drawing, specifications and other applicable documents. The Certificate must be validated by an authorized quality representative and include Purchase Order number, part number and revisions, quality and lot numbers as applicable. Articles may only be shipped without Certificate of Conformance if the Seller has prior consent from the Buyer.

13.4 All products will be properly packaged for the protection of individual items using material deemed appropriate.

13.5 Seller will utilize shipping account information as stated on the PO.

13.6 The term 'Delivery' as used on the purchase order refers to the date that the shipment is due on Pan Pacific Electronics' dock. Please ship one week prior to the Delivery date.

13.7 Any order that states 'ASAP' can ship immediately regardless of the stated Delivery date.

13.8 Purchase orders must include that all materials shipped are free from Foreign Object Debris (FOD).



<b>Document Number:</b>	<b>Approved by:</b>	<b>Revision Number:</b>	<b>Revision Date:</b>	<b>Page Number:</b>
FRM-925	Quality Manager	G	1/4/2018	3 of 3
<b>Document Name:</b>	<b>GENERAL SUPPLIER QUALITY REQUIREMENTS</b>			

- 13.9 Before shipping any hazardous materials, a response from a Pan Pacific Electronics' representative is required stating that it is understood that an item on the purchase order is hazardous and it is acceptable to ship to the address provided.
- 13.10 Before shipping any products that include Substances of Very High Concern (SVHC) in excess of 0.1% (per REACH Regulation EC# 1907/2006) in any of the product's homogenous materials, a response from a Pan Pacific Electronics' representative is required stating that it is understood that an item on the purchase order contains a substance that is not in compliance with REACH.
- 13.11 Before shipping any products that include Conflict Mineral(s) originating from a conflict area (including the Democratic Republic of Congo and surrounding conflict countries), a response from a Pan Pacific Electronics' representative is required stating that it is understood that an item on the purchase order contains conflict mineral(s) originating from a conflict area.
- 13.12 Any and all shipping method changes from the original purchase order must be approved prior to shipping.
- 13.13 All shipments from outside the US, including Canada and Mexico, must be approved prior to shipping. The shipping of parts without prior authorization in regards to method or ship from location will have shipping charges declined unless paid by the supplier.

**14. Right of Access**

- 14.1 Seller shall allow Pan Pacific Electronics, our customers, and regulatory agencies right of access to any place necessary to determine and verify the contracted work conforms to specified requirements, including all applicable records and materials. This includes any internal and sub-contracted records held by the Seller.

**15. Records**

- 15.1 Seller shall maintain all applicable records involved in the purchase order for a minimum of ten years after completion of this purchase order. Records shall be available for review by Pan Pacific Electronics, our customers, and regulatory agencies per contract and/or regulatory requirements at no additional cost, price or fee to Pan Pacific Electronics.

**16. Terms and Conditions**

- 16.1 Seller shall comply with all applicable federal, state and local laws, ordinances, lawful orders, rules and regulations. Seller agrees to indemnify Pan Pacific Electronics against any loss, cost, damage or liability by reason of Seller's violation. Laws, regulations and other customer requirements (as applicable) may include but are not limited to:
  - a) Customer special provisions
  - b) Customer supplemental clauses
  - c) Export Administration Regulations (EAR)
  - d) Arms Export Control Act
  - e) International Traffic in Arms Regulations (ITAR)
  - f) Occupational Safety and Health Act of 1970 (includes MSDS)
  - g) Toxic Substances Control Act (15 U.S.C. Sec. 2601)
  - h) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
  - i) Environmental laws and regulations
  - j) Federal Acquisition Regulation (FAR) clauses
  - k) Defense Federal Acquisition Regulation Supplement (DFARS) clauses
- 16.2 Seller agrees to adhere to all Terms and Conditions set forth by The Boeing Company General Provisions (Latest Revision of GP1 – Fixed Price Goods Contract – Commercial) found at: <http://www.boeingsuppliers.com/TaC.htm>
- 16.3 Seller agrees to adhere to the latest revision of The Boeing Company's purchase order note Q31:
  - a) This procurement is under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 quality system supplier control program.
  - b) THE SELLER WILL PLACE THE FOLLOWING STATEMENT ON THE SHIPPING DOCUMENTATION OF ALL SHIPMENTS TO BOEING:  
"Seller hereby acknowledges that the parts and/or materials being shipped under this order are intended for use under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700."
  - c) APPLICATION NOTE FOR SUPPLIER: THE PREFERRED LOCATION FOR THE STATEMENT IS ON THE SHIPPING DOCUMENT, NEXT TO, OR FOLLOWING, THE CERTIFICATE OF CONFORMANCE (C of C). THE STATEMENT MAY BE PRINTED, STAMPED OR ATTACHED AS A LABEL OR STICKER TO THE SHIPPING DOCUMENTATION. IT IS ALLOWABLE TO REPLACE "Seller" WITH THE COMPANY NAME OR "WE".