External Provider/Supplier Requirements

In Accordance with AS9100 and ISO9001 International Standards, Precise Cables Inc. (PCI) must ensure externally provided processes, products, and services conform to requirements and do not adversely affect our ability to consistently deliver conforming products and services to our customers. As a result, PCI tracks external provider performance and, as applicable, maintains provider data accordingly. If external providers fail to meet PCI's requirements for quality, delivery, terms and conditions (including those stated herein), PCI personnel will resolve such issues using means appropriate to the nature and severity of problems encountered. Resolution may involve correction, Corrective Action, or disqualification of external provider from use, depending on the nature and severity of the issues.

1. Purchase Orders (P.O.) submitted to external provider will identify the process, product, and service to be provided including the identification of relevant technical data (e.g. specifications, drawings, process requirements, and work instructions)
2. PCI will review associated shipment documentation as a means of approval for:
   - Supplied products and services,
   - When applicable, methods, processes, and equipment used in processing products and services
   - The release of supplied products and services
3. External Provider will use competent personnel to fulfill purchase orders and when required, PCI will provide qualification requirements for personnel (e.g. IPC/WHMA-A-620 Certification, NASA 8739.4 Certification).
4. External Providers will interact with PCI Purchasing personnel in the following manner
   - Communication: written (email correspondence), or verbal (business telephone)
   - When required (PCI or External Provider Request) scheduled face-to-face meeting
5. PCI's application to control and monitor performance includes:
   - On-Time Performance
   - Quality (meeting requirements) of delivered products and services
   - Accuracy of Supplied Documentation
   - Completion of Documentation Requirements (identified on P.O.)
6. PCI may require external provider to provide verification and validation activities. When required, these requirements will be specified on P.O. Verification and validation activities may include:
   - Verification and validation activities by PCI personnel, or our customer at external provider's premises
   - Machine part (first piece) inspection results
7. PCI may require design and development control. When required, PCI will choose external providers with this capability and communicate requirements through P.O. documentation.
8. External Provider is responsible for meeting special requirements, critical items, or key characteristics identified by PCI customer supplied documentation or P.O. communication
9. Where applicable, PCI will require test, inspection, and verification (including production process verification) information. Requirements will be identified on P.O. when required
10. External Provider may use a C = 0 sampling plan for product acceptance. When used, Acceptance Quality Level will be retained by external provider, and made available retrieval and submittal to PCI for a period of a minimum of seven years, or P.O. specified period.

11. PCI may require external providers to:

- Implement a Quality Management System and have a Quality Manual available for PCI to review. PCI Purchasing personnel will request Quality documented information at time of qualification and will request updated documented information periodically (e.g. certificate expiration)
- Use special process sources that are approved by PCI customers, as required. External providers must abide by PCI's customers' supplier approval requirements, which are identified in PCI Purchase Orders, or in other written statements of requirement, when applicable.
- Notify PCI of nonconforming processes, products, or services when it is discovered at external providers' locations and in cases where release to PCI has occurred, if applicable. PCI's President and/or PCI's customer representative, must review and disposition such nonconforming product according to established PCI's or its customer specifications and procedures.
- External Providers are responsible to take Corrective Actions when PCI or PCI's customers flow down corrective action requirements, in cases when it is determined that the provider is responsible for the nonconformity. Actions may be documented using PCI's Action Forms, PCI's customer's forms, or provider forms, as appropriate. External Providers are required to respond to Corrective Action requests in a timely manner. Corrective Actions must demonstrate root cause analysis, action implementation, and verification of action effectiveness. When, or if actions prove ineffective, alternate actions may be requested or provider may be disqualified from further use.
- Prevent the use of counterfeit parts:
  - **Pertaining to flow down Traceability requirements (in accordance with AS5553A – Appendix C)**

    PCI requires documented evidence of a part's supply chain history. This refers to documentation of all supply chain intermediaries and significant handling transactions, such as from OCM to distributor, or from excess inventory to broker to distributor.

    - Supply chain traceability to the OCM or aftermarket manufacturer that identifies the name and location of all of the supply chain intermediaries from the part manufacturer to the direct source of the product for the seller. If this supply chain traceability is unavailable or the documentation is suspected of being falsified, a documented risk assessment is required.
- Notify PCI of changes in product and/or process, changes of supply chain, and changes of manufacturing facility location. PCI's Manager of Operational Excellence and/or affected PCI's customer representative must review and approved proposed process changes before they are implemented, where required by PCI's customers.
- Flow down to the supply chain the applicable requirements including PCI customer requirements which may include (when applicable) traceability requirements in Accordance with AS5553A Standard.
- When required, provide test specimens for design approval, inspection/verification, investigation, or auditing

12. External providers are required to provide right of access by PCI's management, PCI's customers, and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
13. External providers are required to retain all applicable records for a minimum retention period of **7** years or as communicated on PCI P.O.
14. External Providers are responsible for ensuring personnel are aware of their individual contribution to product or service conformity, product safety, and the importance of ethical behavior
15. External Providers of calibration services or calibrated equipment is required to provide certificates of calibration bearing traceability to the National Institute of Standards and Technology (NIST), reporting "as found" information and "adjustment" information, as applicable and measurement data.

The above terms and requirements pertain to each PCI's Purchase Order and purchasing contract; acknowledgement and acceptance of the above terms and requirements will be evidenced by external provider/supplier's acceptance of PCI's Purchase Orders or purchasing contracts. The following requirements additionally apply to external providers of special processes.

Pertaining to external providers of special processes (e.g., welding, heat treating, plating, finishing, etc.)**:**

PCI requires external providers of special processes to provide evidence of process validation according to the requirements of AS9100 and ISO9001. Evidence of validation could include a third party registration to ISO9001, AS9100 or similar standard that requires validation of special processes. Alternatively, external providers of special processes may provide a letter or other evidence of process validation (e.g., from aerospace customers). (A response written in the space provided below may also be acceptable; please sign, date, and return via fax.)

Evidence of process validation must demonstrate conformity to the following requirements (excerpted from AS 9100/ISO 9001):

For processes where the resulting output cannot be verified by subsequent monitoring or measurement, the organization shall establish arrangements for these processes including, as applicable:

a. definition of criteria for the review and approval of the processes;
b. determination of conditions to maintain the approval;
c. approval of facilities and equipment;
d. qualification of persons;
e. use of specific methods and procedures for implementation and monitoring the processes;
f. requirements for documented information to be retained.