AS9120 SUPPLIER FLOWDOWN REQUIREMENTS

As a Supplier to Avicore Defense Inc. (ACD), you agree to comply with the additional terms and conditions listed below with respect to any product or services provided to ACD if any such product or service relates to any aviation, space, or defense application, project or any request for quote, purchase order or similar document issued by ACD contains any reference to the AS9120 standards.

Calibration System. All Inspection Measuring & Test Equipment used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated to the national standard.

Special Processes. Supplier shall provide certifications for all special processes and nondestructive test results performed with each shipment. The certificate shall identify the processor, process used, controlling specification & revision, and the results of test or measurement performed. Supplier used shall be a ACD and/or Customer approved source for said Processes. These include operations subject to process controls such as: coating, joining, heat treating, cleaning, non- destructive test, etc. The Supplier shall be approved as per above to perform specific required Special Processes, or use Special Process vendors acceptable to ACD and ACD's customer.

Material, Physical/Chemical Certifications. Suppliers are required to provide material, physical and chemical certification if requested on ACD Purchase Order. Certifications must include an actual physical and/or chemical result based on what certification and must meet the following requirements:

- Signed by an authorized quality representative
- Part Number
- Lot Number
- Heat Number
- Country of Origin and/or Melt
- Results of testing

Control of Drawings & Specifications. The Supplier shall ensure that the drawings and specification are the relevant revision status specified on the Purchase Order.

Material Substitution. Unauthorized material substitutions are not permitted without ACD written consent.

Reporting Discrepancies. Discrepancies, omissions, and the need for clarifications or interpretations of any nature encountered by Supplier in respect of furnished drawings or engineering data will be brought to the attention of ACD for resolution.

Quality/Inspection System. Supplier shall maintain a quality management system (QMS) that will ensure all goods and services conform to contract requirements whether manufactured or processed by Supplier or procured from Sub-Tier Suppliers. ACD shall survey suppliers regularly to determine that their QMS is satisfactory.

Changes in Process, Product or Location. Supplier shall notify ACD of intended or actual changes that may affect the quality of delivered goods and services. This includes changes to the QMS, the manufacturing line, facility location, processes, natural disasters, management or ownership.

Certificate of Conformance. Supplier's acceptance of ACD's purchase order certifies that the materials and processes supplied under the purchase order shall be or have been controlled and inspected in accordance with ACD's purchase order and they meet the specified order requirements, referenced specifications and drawings. Supplier must provide a Certificate of Conformance for all orders and lots, verifying that all products and lots meet those requirements. All products and lots must be clearly identified and labeled and must be traceable to and linked to the Certificate of Conformance.

Counterfeit Parts. 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. If counterfeit parts are furnished under this (purchase/subcontractor) agreement, the items will be impounded by ACD without payment to the seller by ACD. The seller shall replace such items with items acceptable to ACD. ACD reserves the right to cancel the PO at no cost to ACD if replacements cannot be supplied. The Seller may be liable for all costs relating to the replacement.

Right of Access. ACD and its customers reserve the right to perform verification and/or validation activities at the Supplier's premises.

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Foreign Object Debris/Damage. Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks.
Record Retention. Supplier shall maintain records of inspections, tests, and process controls called for by this contract. Unless specified elsewhere in contracts or attachments, these documents shall be on file, stored and protected in such a manner that they remain legible, readily identifiable, and readily available to ACD for no less than 10 years.
Nonconformance and Corrective Action. ACD will not accept Supplier product that does not meet engineering drawing and/or Purchase Order requirements. Supplier product discovered after shipment by the Supplier to be nonconforming to any engineering drawing and/or Purchase Order requirement shall be immediately disclosed to ACD upon discovery. 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 submitted to ACD. The response shall be submitted within one week of issue or a time frame agreed upon between ACD and the Supplier. Errors with paperwork shall be resolved within 24 hours. Supplier shall obtain ACD's prior written approval with respect to the disposition of any nonconforming products or materials supplied.
Age Sensitive Parts. For rubber products including, but limited to, O-Rings, Seals and Gaskets, the supplier is required to provide a Material and/or Manufacturer Certifications that includes a batch number and cure date.
Letter of Disclosure. When a nonconformance is determined to exist or is suspected to exist on goods and/or services provided to ACD under this Contract, Supplier shall provide written Post Delivery Notification Letter or Letter of Disclosure.
Specialty Metal Compliance Specialty Metal Compliance (DFAR 252.225-7012). If ACD requires DFAR compliant parts, supplier is required to provide documentation of conformity to said clause. Documentation to include a manufacturers certification with a statement of conformity per DFAR 252.225.7012 and/or a material certification that certifies country of melt. Under this clause, specialty metals are defined as certain steels, titaniums and zirconium based alloys. Qualifying countries include Australia, Austria, Belgium, Canada, Denmark, Egypt, Finland, France, Germany, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.s
NADCAP. Nadcap stands for National Aerospace and Defense Contractors Accreditation Program. If indicated in the Purchase Order that a NADCAP approved Supplier is required, the Supplier must not perform any work or process any part if they are not NADCAP approved. Should a Supplier have a change to their NADCAP certification or accreditation, the Supplier MUST notify ACD per the terms of the NADCAP requirements.
Packaging and Handling. As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified.
Flowdown to Sub-tier Suppliers. All applicable requirements that are invoked or applied to the customer's purchasing document, including this clause, shall be flowed down to the organization's sub-tier suppliers.
Awareness. Supplier shall ensure that employees performing work on this purchase order are aware of the importance of and their contribution to: the conformity of the products and services to the requirements; ensuring product safety; and promotion of ethical behavior.
Confidentiality. Suppliers shall hold all information received from ACD in confidence and no third party request for information will be authorized unless approved, in writing, by ACD.