

# Supplier Requirements Document

## 1.0 SCOPE

This document applies to all production suppliers of Multifab, Inc. and subsidiaries. Multifab suppliers are required to flow down these requirements and Multifabs customer requirements listed on purchase orders, drawings etc; to their suppliers. Due to the variety of products and suppliers to Multifab additional product-specific requirements may be included on the drawing or Purchase Order. Contract Manufacturers may also be required to enter into a supplemental contractual agreement. In case of conflict, the contract or Purchase Order takes precedence over this document.

## 2.0 SUPPLIER QUALITY SYSTEM

### 2.1 System Requirements

As a minimum, all suppliers must maintain production records of product from raw material through shipment and a basic inspection system that includes first article inspection, receiving inspection, and final inspection with properly calibrated equipment (traceable to NIST, or equivalent) for 10 years to stay in compliance with Multifabs customer requirements. The supplier's calibration system must be in compliance with either MIL-STD-45662 or ISO 10012.

### 2.2 System Surveys

Suppliers of more critical processes and components, and those suppliers with a poor quality history, may be required to have an on-site survey of their quality system and processes conducted by Multifab Quality Assurance Manager.

## 3.0 SUPPLIER CLASSIFICATION AND PERFORMANCE

### 3.1 Approved Suppliers

Any potential supplier to Multifab must, as a minimum, have their quality system evaluated. Critical processes may also be required to be surveyed. Once the quality system is approved and the supplier has submitted and received a First Article Report approval, the supplier will be added to the ASL, Approved Supplier List. Only approved suppliers will receive production purchase orders from Multifab.

### 3.2 Disapproved Suppliers

Potential new suppliers that do not meet the minimum quality system requirements will be disapproved. Existing suppliers that fail to meet the expected quality and delivery requirements will be notified and expected to improve their performance. If they fail to improve their performance to an acceptable level within an agreed upon time, they will be disapproved and removed from the ASL.

### 3.3 Performance Measurement, Tracking, and Reporting

All suppliers are monitored and evaluated for quality, delivery, cost, and service performance. Reports are generated that are used to work with suppliers to improve their performance.

### 3.4 Ship-to-Stock Status

Preferred Suppliers with an acceptable quality history may be asked to participate in the ship-to-stock program. This allows product to bypass routine receiving inspection. Before going ship-to-stock the supplier must have an approved quality system, have an acceptable quality history, have an approved first article on file, and provide a Supplier Control Plan for approval.

## **4.0 FIRST ARTICLE REPORTING**

All production hardware sent to Multifab must have a complete (100% of all requirements verified) and approved first article report on file at Multifab. The quantity of parts used for first article inspection shall be agreed between the supplier and Multifab. First article inspections must be repeated for any portion of the product that is impacted by a design, process, or tooling change. A process change is any activity that affects the form, fit, function, or safety of the product or the quality plan of the Multifab purchased item. Any deviation to Multifab requirements on the first article must be approved in writing by Multifab.

Suppliers are required to use AS9102 FAI forms or one similar approved by Multifab.

A marked-up drawing shall also be included that indicates all inspection points. As applicable, the first article inspection reports shall also include material test reports and data from sub-tier suppliers. Copies of the first article reports are required to be sent to Multifab. Multifab may sample or perform a duplicate 100% first article to verify the product and inspection methods.

## **5.0 PRODUCT AND PROCESS VERIFICATION**

### 5.1 Inspection by the Supplier

The supplier is expected to be self-sufficient in the control of their processes and the inspection of product delivered to Multifab. The supplier should not rely upon Multifab to perform any of the inspections to verify the quality of the deliverable product. Records should be kept for a minimum of 10 years that indicate the inspections that were performed and the acceptance or rejection of the product. If a conflict is discovered between the purchase order, drawing, specification or other Multifab documentation, the supplier should contact Multifab to resolve the conflict.

## 5.2 Source Inspection

Multifab may require inspection of product and processes at the supplier by Multifab and any of Multifab's customers.

## 5.3 Right of Entry

Right of access by Multifab, Multifab customers and applicable regulatory authorities to all applicable areas of all facilities at any level of the supply chain involved in the purchase order and access to all applicable records. The supplier will be notified prior to the visit. The supplier should identify proprietary processes before entry. When applicable, an arrangement will be made to execute a mutual nondisclosure agreement to protect from disclosure to unauthorized individuals.

## **6.0 SUPPLIER REQUESTED ENGINEERING CHANGES**

Suppliers may propose any mechanical, electrical, or documentary design changes to the product that affects the form, fit, function, safety, cost or maintainability. Full implementation of any such changes requires the prior written approval of Multifab.

## **7.0 CERTIFICATES OF CONFORMANCE**

When requested, shipments to Multifab are to be accompanied by a Certificate of Conformance that contains the part number, the shipment quantity, the date, the Rev level, Lot, shelf life etc: and a statement of conformance to the purchase order requirements. Raw material shall be accompanied by a test report of chemical and physical test values showing conformance to applicable specifications as required by purchase order.

## **8.0 PRODUCT NONCONFORMANCES**

### 8.1 Nonconforming Product.

Supplier is to notify Multifab of any nonconforming product or quality escapes and the disposition of the nonconforming product if it will cause a delay in delivery to Multifab.

Any product nonconformances found at Multifab will be cause for rejection of the shipment and will count against the quality rating for the supplier. The supplier will be informed of the nonconformance to allow for future corrections.

### 8.2 Corrective Action Requests

Whenever the rejection is considered serious enough, or is a repetition of previous rejection, the supplier will be issued a corrective action request. The supplier is expected to take immediate action to contain the problem and then provide a root cause analysis and corrective action.

### 8.3 Return Authorization

Suppliers are expected to provide a Return Material Authorization, RMA, within 5 working days after notification of rejected material at Multifab.

## **9.0 PACKAGING AND LABELING**

Product should be shipped to Multifab in a manner that assures proper protection from damage during shipment and proper identification of each shipment container. Individual containers must be clearly marked with the appropriate Order number, Multifab part number(s), and any necessary lifting and/or handling instructions. When special packaging requirements are required, they will be specified on the Multifab drawing or Purchase Order.

## **10.0 NEW PRODUCTS**

Suppliers are encouraged to provide feedback to Multifab on design changes that would ease manufacturability, lead to lower cost and/or improve quality or safety of any product. Suggestions should be provided to the Engineering Manager.

## **11.0 ENVIRONMENTAL COMPLIANCE**

Multifab is committed to compliance with the EU RoHS and WEEE Directives and other hazardous substance legislation and industry initiatives. As a result, Multifab's suppliers are required to certify that the named hazardous substances are within legislated limits.

## **12.0 SHELF LIFE**

Chemical compounds that may suffer degradation in their characteristics must have no less than 80% of their expected life upon receipt at Multifab.

## **13.0 CHANGE IN MANUFACTURING PROCESSES OR LOCATION**

In the event the supplier intends to change the location of manufacture of any product or alter the manufacturing process of any product, the supplier shall provide 6 months prior written notice to Multifab. This includes subcontracting existing processes and change of suppliers applicable to Multifab product. All changes must be approved by Multifab Engineering or Quality as applicable.

## **14.0 ON-TIME DELIVERY**

Multifab requires suppliers to target 100% on-time delivery. On-time delivery is a major component of Multifab's measurement of the supplier's performance. Suppliers are required to notify Multifab in writing within 1 business day in the event of anticipated delays in manufacture of product for which a purchase order has been placed. Such notification shall include identification of the root cause and supplier's corrective action plan.

## **15.0 QUANTITY REDUCTION**

In the event the supplier's ability to supply product in the quantity specified in a purchase order is constrained, the supplier shall immediately notify Multifab. If Multifab receives partial deliveries, the additional shipping and handling costs will be borne by the supplier.

### **16.0 NOTIFICATION OF PRODUCT DISCONTINUANCE**

Suppliers shall provide Multifab at least 12 months prior written notice of their intent to discontinue manufacture and/or support of any product. Prior to discontinuance the supplier shall fulfill any and all purchase orders placed for such product pursuant to the terms of the purchase order. On or immediately prior to the actual date of discontinuance of such product, Multifab shall have the right to make a one-time purchase of product for phased delivery over the succeeding 12 months.

### **17.0 INVOICING**

Invoicing for product shall be issued on the date of shipment of product. Invoices for services shall be issued upon successful performance of the services. Supplier's invoices will contain at least the purchase order release number, item number on the release, invoice quantity, unit of measure, unit price and the total price. Each invoice will clearly indicate the name and contact information of the supplier's person responsible to answer any questions that Multifab may have regarding the invoice.

### **18.0 ETHICS**

Fundamental to Multifab's business philosophy and policies, good ethics and good business are synonymous. Multifab expects all suppliers to comply with all applicable laws and regulations. We expect to conduct business with our suppliers in accordance with the highest ethical, moral, and legal standards.