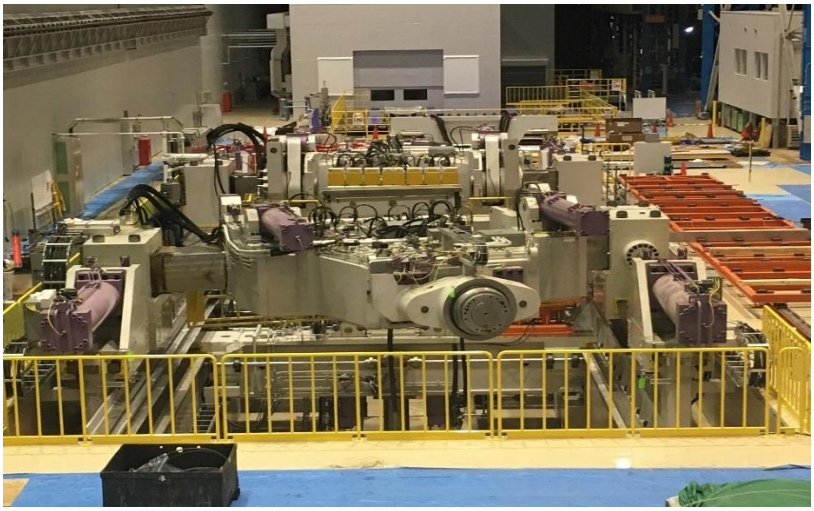
EXTERNAL PROCEDURAL MANUAL

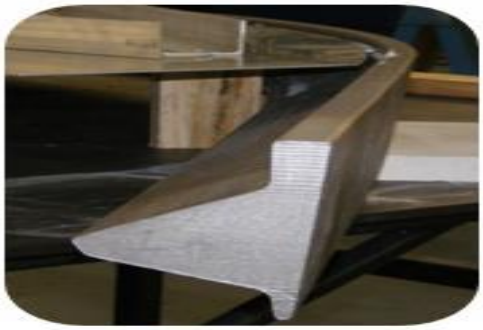
SUPPLIER QUALITY REQUIREMENTS MANUAL (SQRM)

REV. J

CYRIL BATH
An Aries Alliance Company

ARIES MANUFACTURING
An Aries Alliance Business





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1.0 PURPOSE

This Supplier Quality Requirements Manual defines the policies, requirements, responsibilities and authorities required and applies to all Cyril Bath/Aries Alliance suppliers that provide material, parts or services that directly affect product quality. These policies and requirements reflect values of Cyril Bath intended for customer satisfaction and operational. These requirements are complementary (not alternative) to purchase order and applicable law and regulatory requirements.

Note: Allowance to depart from the Cyril Bath requirements within this document is at the sole discretion of Cyril Bath. Authorized departures will be managed under Cyril Bath waiver process and noted in the supplier's file.

2.0 RESPONSIBILITY AND AUTHORITY

Cyril Bath' General Manager controls the content of this manual and approves any changes to the values and the policies. The Quality Manager is responsible for the issuance and revision of this manual.

3.0 DEFINITIONS

Terms and definitions contained in this manual are unique the Cyril Bath organization and/or business. Definitions given by the customer, AS9100 Rev D, and ISO 9001:2015 apply and take precedence over all other definitions.

Counterfeit part – a suspect part that is a copy or substitute without legal right or authority, or one whose material, performance or characteristics are knowingly misrepresented by a supplier in the supply chain. (Definition derived from AS5553.) See examples of counterfeit parts below.

Counterfeit Material – Fraudulent material that has been confirmed to be a copy, imitation or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive or defraud.

Foreign Object Damage (FOD) - Any damage or incident attributed to a foreign object which may degrade the product's safety and/or performance characteristics.

Fraudulent Material – Suspect material misrepresented to the customer as meeting the customer's requirements.

Suspect Material - Material, items, or products in which there is an indication by visual inspection, testing, or other information that it may meet the definition of fraudulent material or counterfeit material provided below.

Suspect Part – a part in which there is an indication by visual inspection, testing or other information that it may have been misrepresented by the supplier or manufacturer and may meet the definition of "counterfeit part" below. (Definition derived from AS5553.)

Key Characteristics – An attribute or feature whose variation has a significant effect on product fit- form-function, performance, reliability, or manufacturability, which requires specific actions for the purpose of controlling variation.

Manufacturer – Manufacturer in this standard refers to the point of origin of any material covered by the standard, including factories, mills, foundries, mines, chemical plants, laboratories, etc.

Material – Material in this standard refers to material, parts, assemblies, and other procured items (except for electronic parts, which are covered by AS5553).

OEM – Original Equipment Manufacturer; for the purposes of this document, used interchangeably with the term OCM below.

Ozone-depleting substances – Any substance the Environmental Protection Agency designates in 40 CFR Part 82 as:

1. Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or
2. Class II, including, but not limited to, hydro-chlorofluorocarbons.

Risk – An undesirable situation or circumstance that has both a likelihood of occurring and potentially negative consequence.

Supplier – An organization evaluated, selected and predetermined by Cyril Bath as capable to meet established product quality and service requirements.

Special Requirements – Those requirements identified by the customer, or determined by the organization, which have high risk to being achieved, thus requiring their inclusion in the risk management process.

Key Components – Those items (i.e. Parts, software, characteristics, services) having significant effect on the product realization and use of the product; including performance, form- fit-function, manufacturability, service, reliability, etc.; that require specific actions to ensure they are adequately managed.

4.0 QUALITY SYSTEM REQUIREMENTS

4.1 Suppliers shall maintain a Quality Management System (QMS) suitable to the products and services provided to Cyril Bath and certified by an accredited third-party certification body.

4.2 In the absence of third-party certification, depending on the product, its application, value, and criticality, the Cyril Bath Purchasing Manager and Engineering representative may authorize the acceptance of other evidence of compliance.

4.3 Cyril Bath suppliers that provide products and/or services that affect fit, form, function or product quality shall comply with the following requirements:

a. Distributors/Stock lists - establish and maintain a QMS that is in compliance with AS9120 or ISO 9001:2015.
b. Calibration Suppliers - establish and maintain a measurement management system.
c. Special Process Suppliers - establish and maintain a QMS that is in compliance with AS9100, AS9003, PRI/NADCAP AC7004 or ISO 9001:2015.

5.0 GENERAL REQUIREMENTS

5.1 Compliance to Purchase order Requirements

5.1.1 The Supplier is responsible for compliance to all purchase order requirements.

5.1.2 All documents, drawings and specifications are applicable to the supplier when specified in the purchase order.

5.1.3 Neither audit, surveillance, inspection or tests made by Cyril Bath, representatives of Cyril Bath or its customer(s), at Supplier's facilities, at any sub-tier facilities, or upon receipt at Cyril Bath, relieves the Supplier of the responsibility to furnish acceptable products or services that conform to all purchase order requirements; nor does it preclude subsequent rejection by Cyril Bath or its customers.

5.2 Customer Access Rights

5.2.1 Cyril Bath's customers and regulatory agencies reserve the right to have unlimited access to the supplier's and relevant sub-tier sources facilities and records as necessary.

5.3 Cyril Bath Designated Sources

5.3.1 When specified by purchase order, the supplier shall acquire products, materials and/or services from Cyril Bath designated sources.

5.4 Control of Sub-Tier Supplier

5.4.1 The supplier is responsible for meeting all requirements including work performed by the supplier's sub-tier sources.

5.4.2 The supplier shall flow-down to its sub-tier sources all of the applicable technical and quality requirements contained in the Cyril Bath purchase order, including:

a. customer requirements;
b. regulatory requirements;
c. key characteristics;
d. special processes.

5.4.3 Supplier and sub-tier suppliers shall attain and maintain special process accreditation through NADCAP or other accreditation body for special processes as required by the purchase order.

5.5 Risk Management

5.5.1 The supplier shall establish a risk management program to effectively assess those elements from all aspects of the business that could affect the quality of the products and/or services scheduled for delivery to Cyril Bath.

5.5.2 Suppliers of MRO products, products that do not affect fit, form, and/or function or product quality are excluded from clause 5.5.1.

5.6 Control and Release of Cyril Bath Furnished Documents

5.6.1 Documents furnished by Cyril Bath to the Supplier are furnished solely for the purpose of doing business with Cyril Bath.

5.6.2 Proprietary documents may be furnished to the supplier in hard copy, electronic or other media.

5.6.3 The supplier is responsible for controlling and maintaining such documents to preclude improper use, loss, damage, alteration and/or deterioration.

5.7 Source Inspection

5.7.1 Suppliers Product may be subject to source inspection by Cyril Bath or by a delegated representative selected to perform the on-site inspection of product prior to it shipping.

5.7.2 Source inspection requirements will be noted on the purchase order when this activity is required.

5.7.3 It is the Suppliers responsibility to notify Cyril Bath at a minimum of two weeks before the date of shipment so arrangements can be made in timely manner by Cyril Bath to plan and perform the source inspection without any delays that may impact the supplier's on-time-delivery.

5.8 Counterfeit Parts (Electronic Parts/Services)

5.8.1 Suppliers shall not furnish to Cyril Bath/ARIES Alliance any goods that are "Counterfeit" defined as Goods or separately-identifiable items or components of Goods that:

a. are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item;
b. are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture;
c. do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design;
d. have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or
e. have not passed successfully all OEM required testing, verification, screening, and quality control processes.

5.8.2 Suppliers shall implement an appropriate strategy to ensure that goods furnished to Cyril Bath/ARIES Alliance are not counterfeit.

5.8.3 Seller's strategy shall include the direct procurement of items from OEMs or authorized suppliers conducting approved testing or inspection to ensure the authenticity of items and when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following:

a. the OEM's original certificate of conformance for the item;
b. sufficient records providing unbroken supply chain traceability to the OEM; or
c. test and inspection records demonstrating the item's authenticity.

5.8.4 Counterfeit Goods delivered or furnished to Cyril Bath are deemed nonconforming.

5.8.5 If supplier becomes aware or suspects that it has furnished Counterfeit Goods to Cyril Bath, the supplier shall promptly notify Cyril Bath and replace, at Supplier's expense, such Counterfeit Goods with OEM or Buyer-approved Goods.

5.8.6 Supplier shall be liable for all costs related to the replacement of Counterfeit Goods.

5.9 Material Substitutions

5.9.1 Unauthorized material substitutions are not prohibited.

5.9.2 Unauthorized material substitutions includes any deviation from the design drawing, applicable specifications, product specification, form, size, shape, chemistry, melt method, origin, temper/condition, product testing or surface finish.

5.9.3 Alternate materials specified in the engineering documentation do not constitute as unauthorized material substitutions.

5.9.4 Material substitutions are permitted with approval from Cyril Bath/ARIES Manufacturing using the deviation/waiver process.

6.0 PRODUCT / PROCESS QUALIFICATION

This section defines the generic requirements for production part qualification and approval and applies when required by the Cyril Bath purchase order.

6.1 First Article Inspection

6.1.1 The First Article Inspection (FAI) process is used to demonstrate the adequacy of supplier gauging, manufacturing and inspection processes and to ensure that all design and specification requirements have been understood, accounted for, verified and documented.

6.1.2 When required by Cyril Bath purchase order FAIs shall be performed in accordance with AS9102 and submitted to Cyril Bath via **NetInspect**.

6.1.3 Suppliers may offer an alternate FAI plan to meet the requirements for production process verification when AS9102 is not called out specifically on the Cyril Bath purchase order and only when authorized in writing by Cyril Bath.

6.1.4 In cases where Cyril Bath drawing directs the supplier to modify or perform testing a standard, only the changed or added parameters need to be verified and documented (e.g., an altered item drawing).

6.2 Product/Process Sign-Off (PSO)

The Product/Process Sign-off (PSO) is a pre-production assessment process done by Cyril Bath's suppliers prior to the awarding of a purchase order or LOI (letter of intent). This process is intended to give Cyril Bath assurance in the suppliers manufacturing capabilities and provide confidence that all requirements of procurement and product quality are understood and will be achieved in accordance with all agreed upon purchase orders or contractual terms and agreements.

6.2.1 All requirements of the PSO are submitted per the PSO Checklist and must be completed by all suppliers whose scope of supply have significant impact and risk on the intended function of mechanical, electrical and hydraulic sub-systems that affect machine performance, quality and reliability.

6.2.2 Production shall not be launched until Cyril Bath has reviewed and approved all check list items. Unless approved by Cyril Bath's Quality department, no item on the checklist will be waived or "N/A" without an authorized signature allowing exemption.

7.0 PROCESS CONTROL

This section defines the basic necessities for Suppliers to control their processes.

7.1 Foreign Object Debris/Damage (FOD)

7.1.1 The supplier shall maintain a FOD prevention program.

7.1.2 The prevention program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas, paths through which foreign objects can migrate and potential causes of physical damage to parts.

7.1.3 The supplier shall ensure that work is accomplished in a manner that prevents foreign object damage or material in deliverable items.

7.2 Key Characteristics

7.2.1 The Supplier shall demonstrate conformity to those key characteristics designated by Cyril Bath through means of documentation and appropriate control methods.

8.0 CHANGE CONTROL

The Supplier is responsible for controlling changes and notifying the Cyril Bath Purchasing Manager of all changes to the approved part design, manufacturing process, or site

8.1 Change Control Process

8.1.1 The Supplier shall have a process to ensure that relevant versions of applicable documents furnished by Cyril Bath (as well as those specified of external origin) are implemented correctly.

8.2 Supplier Change Requests

8.2.1 Suppliers shall not make changes to their processes, location, facilities, equipment, material, product design (or any change which may affect product or function) without written approval from the Cyril Bath Program Manager. These changes may include:

a. Correction of a discrepancy on a previously submitted part;
b. Product modified by an engineering change to design records, specifications, or materials; or
c. Any planned changes by the Supplier to the design, process, or manufacturing location, such as:
   - Use of other material than was used in previously approved part or product;
   - Change of sub-tier Supplier for parts, nonequivalent materials, or services (e.g. heat treating, plating, etc.)
   - Change to test/inspection method – new technique (no effect on acceptance criteria)

8.2.2 Before submitting to Cyril Bath a request for a permanent change to a Supplier-controlled design, the Supplier shall review the Process Documentation and Risk Assessment, as applicable, to ensure that all process-related issues have been addressed and resolved.

9.0 CONTROL OF NONCONFORMING MATERIAL

This section covers the requirements for handling nonconforming products supplied to Cyril Bath, including those that reach a Cyril Bath customer.

9.1 Supplier Containment

9.1.1 For product quality problems reported by Cyril Bath to the Supplier, until formal corrective action has been taken and approved, the Supplier shall provide documented evidence with subsequent shipments that such product has been inspected for the identified nonconformance and meets all applicable requirements.

9.2 Controlled Shipping

9.2.1 When applicable, Cyril Bath may formally place a supplier on Controlled Shipping. The intent of Controlled Shipping is to implement a proactive inspection process (in addition to routine inspection) that protects Cyril Bath from the receipt of nonconforming parts and/or material.

9.2.2 The duration of the Controlled Shipping will be communicated to the Supplier at the time the Control Shipping is imposed.

9.2.3 Controlled Shipping will be implemented by the supplier when either of the following circumstances occur:

a. repeat problem cases

b. duration and severity of the problem
c. incapable processes
d. customer quality issues
e. inadequate containment and/or resolution of a nonconformance
f. major production / assembly disruptions

9.2.4 Any product shipped without proper documenting of the Controlled Shipping will be subjected to third party inspection delegated by Cyril Bath at the expense of the supplier.

9.2.5 Invoices may be placed on hold for any product received & contained for purposes of sorting by third party inspection until the product conformity has been verified.

9.3 Material Review Board (MRB) Authority

9.3.1 At no time shall the Supplier assume MRB authority without the expressed written authorization from Cyril Bath.

9.3.2 Dispositions not authorized include Repair to Variation and Accept for Use.

9.4 Deviation and Waiver Request

9.4.1 Deviation and Waiver request shall be submitted on Cyril Bath's (WR-001) form or the supplier's format if provided upon request for the approval of manufacturing, disposition and shipping of nonconforming material.

9.4.2 Deviation request are made prior to manufacturing nonconforming product when the Supplier absolutely deem it necessary to deviate from requirements of a procedure, purchase order or product requirement (raw Material) in an effort to fulfill production or shipping obligations.

9.4.3 Deviation request must be completed and authorized by Cyril Bath's MRB authority before production and/or shipping of nonconforming material.

9.4.4 All deviations should be requested in timely manner to enable careful review and processing in order to meet shipping commitments.

9.4.5 Waiver request must be submitted for nonconforming material produced in error during manufacturing or once discovered during subsequent inspection and testing.

9.4.6 Once submitted and reviewed by Cyril Bath's MRB authority, disposition of the product and written authorization will be returned.

9.5 Notice of Escape

9.5.1 In the event that a non-conformance is discovered at any time following shipment of the product, Cyril Bath shall be notified immediately.

9.6 Cost of Nonconformance

9.6.1 Hours spent on the sorting of nonconforming product received from a supplier will be charged back to the supplier at the current labor rate designated by Cyril Bath.

9.6.2 Hours spent on rework performed by Cyril Bath of nonconforming product received from a supplier will be charged back to the supplier at the current labor rate designated by Cyril Bath.

9.6.3 Any rework outsourced by Cyril Bath of nonconforming product received from a supplier will be charged back to the supplier at actual cost of labor and material.

10.0 SHIPMENT AUTHORIZATION

10.1 When applicable, shipments requiring authorization prior to shipping are noted on the purchase order.

10.2 When authorization is required, the supplier shall submit all inspection reports, test reports and/or material certs for review to Cyril Bath.

10.3 Inspection reports should be electronically completed to prevent untimely delays due to illegibility issues and concerns that may generate questions while deciphering hand-written results.

10.4 The Supplier should plan for review in advance by submitting reports at least 24 hours prior to the planned shipment date.

11.0 PACKAGING, LABELING, DELIVERY & RECORD RETENTION

11.1 Preservation, packaging, labeling, and shipping methods must comply with common industry practices and Cyril Bath requirements specified on the purchase order.

11.2 Where the purchase order includes a line item for “Shipping Method & Packaging”, the supplier shall submit plans for shipping and packaging and have it approved prior to shipping.

11.3 The supplier will assume all financial liability for any product shipped that subsequently sustained transport / handling damage to product shipped without approval.

11.4 Preservation

11.4.1 In order to detect deterioration, the condition of product in stock should be assessed at appropriate planned intervals.

11.5 Labeling

11.5.1 When applicable, Cyril Bath will provide the supplier with the necessary specifications.

11.6 Delivery

11.6.1 The supplier shall systematically inform Cyril Bath of any delay in delivering product and provide a new dispatch date.

11.6.2 The supplier is responsible for additional transport costs due to delays.

11.6.3 Shipments arriving greater than 5 days late to Cyril bath shall impact the on-time delivery rating of the supplier

11.7 Shipment Acknowledgements, ASN's

11.7.1 Suppliers shall send via email of fax a copy of the packing slip of each shipment on the day the shipment departs the supplier's facility

11.8 Certificate of Conformance (CofC), Traceability Program

11.8.1 The Supplier may provide a traceability number on the supplier's general CofC.

11.8.2 The supplier shall provide material and sub-tier or process certifications under the following conditions:

a. Raw material;
b. As part of the First Article AS9102 requirement;
c. For the first receivable of each order;
d. When new material is used or new processing is completed;
e. When required by purchase order or customer requirement.

11.8.3 When a CofC is required, it shall contain at a minimum:

a. part number
b. PO number
c. revision
d. quantity
e. lot code
f. date code
g. heat code (if applicable)
h. serial numbers (where applicable)

11.8.3 For Processors, Special Services and Screening Facilities, a CofC shall be submitted with each order that specifically reference all part, test and process specifications on the Purchase Order, and/or include certifications from any sub-tier suppliers for the processes they have performed.

11.9 Record Retention

11.9.1 The Supplier shall retain quality records for a time period specified by the Cyril Bath purchase order or related reference documents.

11.9.2 The Supplier shall maintain all records that provide objective evidence of compliance to Cyril Bath purchase order requirements for a minimum of one (1) Calendar year plus ten (10) years after delivery of products and/or services on the purchase order.

11.10 Ozone-depleting substances (T88)

11.10.1 Seller shall label shipping or storage containers of ozone-depleting substances and products that contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as applicable:

a. "Warning – Contains *_____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere."

b. "Warning – Manufactured with *_____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere."

Note: Where "*", seller shall insert the name of the relevant substance(s).

12.0 CONTINUAL IMPROVEMENT

Where applicable, suppliers shall define a process for continual improvement.

12.1 Supplier Corrective Action Report

12.1.1 Cyril Bath may issue a request for Corrective Action to the Supplier when nonconforming material or assemblies are found.

12.1.2 When a formal reply is requested, the supplier will be issued a CAR or similar 8-D format.

12.1.3 The supplier shall respond to a request for corrective action as follows:

Timeline (from initial notification by Cyril Bath)

1. The Supplier shall promptly acknowledge receipt of notification and communicate to Cyril Bath the immediate containment actions to be taken.
2. When requested, the supplier shall provide an update of the containment plan.
3. The supplier must submit within 30 Business days the completed NCR indicating the permanent actions taken, or to be taken, to prevent recurrence.
4. If requested in writing, the supplier may be granted an extension at the discretion of the Cyril Bath Quality Manager.

13.0 IDENTIFICATION AND TRACEABILITY

13.1 The supplier shall properly identify product throughout the realization process and establish a system that:

a. Identifies the production status
b. Verifies product acceptance with regards to inspection and testing
c. Properly controls product disposition

13.2 The supplier shall define a traceability method for unique identification of each part or material lot, unless otherwise agreed upon by Cyril Bath/Aries Alliance.

13.3 The supplier shall work with Cyril Bath/Aries Alliance to develop and approve an acceptable method, location and content for marking the product.

13.4 The supplier shall maintain all records necessary to ensure product quality.

13.5 When acceptance authority media (AAM) are required, the supplier shall ensure their process for AMA addresses:

a. Authority Media Application Errors (i.e. Omission, Typos, Legibility, etc.)
b. Authority Media Application Untimely Use (i.e. Documentation is not completed as planned, "Stamp/Sign as you go", etc.)
c. Authority Media Application Misrepresentation (i.e., uncertified personnel, Falsification of documentation, Work not performed as planned, etc.)
d. Authority Media Application Training Deficiencies (i.e. Ethics, Culture awareness, Proper use of authority media, etc.)

14.0 AWARENESS

14.1 Suppliers will ensure that employees and people working on its behalf are aware of:

• Their contribution to product or service conformity
• Their contribution to product safety
• The importance of ethical behavior

History of Changes				
Section	Date	Revision	Description	Approval
1.9	5/31/17	E	ADDED: "Controlled Shipping"	N. Colon
1.13	5/31/17	E	ADDED: "Identification and traceability	N. Colon
All	3/17/18	F	AS9100D Upgrade	N. Colon
All	2/16/19	G	Modified Format, Added "Ozone-depleting substances", Changed Document Retention time	B. Christopherson
11.10	10/11/19	H	Updated wording, Changed name of Purchasing Manager	B. Christopherson
6.1.2, 14.0, 9.6	2/22/20	J	6.1.2-Added NetInspect requirement, Added 14.0, removed set labor rate of $85, Changed "Aries Manufacturing" to "Aries Alliance", removed signature page	B. Christopherson