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<b>FRM-PUR-02</b>	<b>Supplier Quality Agreement</b>		
<b>Issued by: QA</b>	<b>Effective Date: 8/5/2020</b>	<b>Rev. H</b>	<b>Pg. 1 of 17</b>
Approved: 8/5/2020 7:20 AM - Brad Mellinger			



## SUPPLIER QUALITY AGREEMENT

This Quality Agreement is executed between Supplier and NW4S, Inc. hereafter referred to as Customer.

1.	Administrative Elements.....	4
1.1.	Scope.....	4
1.2.	Parties to the Agreement.....	4
1.3.	Definitions, Abbreviations, and Acronyms .....	4
1.4.	Referenced Documents .....	5
1.5.	Products and Services Covered By This Agreement.....	5
1.6.	Site(s) Involved .....	5
1.7.	Quality Management Systems.....	5
1.8.	Risk Management System .....	6
1.9.	Terms of Agreement.....	6
2.	Compliance .....	6
2.1.	Specifications .....	6
2.2.	Specification Changes .....	6
2.3.	Inspections.....	7
2.4.	Prevention of Counterfeit Parts .....	7
2.5.	External Processes .....	7
2.6.	Ethical Behaviour.....	8
2.7.	Product Conformity and Safety.....	8
2.8.	Right of Access.....	8
2.9.	Certifications and Regulatory Requirements.....	8
3.	Manufacturing, Packaging, and Labeling.....	9
3.1.	Equipment.....	9
3.2.	Inspection, measuring, and test equipment.....	9
3.3.	Labeling Operations .....	10
3.4.	Packaging Operations .....	10
3.5.	Shipping Operations.....	10
3.6.	Certificate of Compliance.....	10
4.	Documentation and Records.....	10
4.1.	Product History Record.....	10
4.2.	Record Retention.....	10
5.	Storage and Shipment.....	11
5.1.	Storage.....	11
5.2.	Shipment.....	11
5.3.	Foreign Object Debris.....	11
6.	Change Control .....	11
6.1.	Change Requests.....	11
6.2.	Deviations.....	12
6.3.	Other Changes.....	12
7.	Non-Conformance, CAPA, and Complaints .....	12
7.1.	Disposition of Non-conforming Material and Product.....	12

7.2.	Supplier Initiated Corrective Action .....	13
7.3.	Customer Initiated Corrective Action.....	13
7.4.	Supplier Received Complaints.....	13
7.5.	Customer Received Complaints .....	14
7.6.	Recall .....	14
8.	Audits .....	14
8.1.	Customer Audits of Supplier Facilities .....	14
8.2.	Customer Audit Findings .....	15
8.3.	Auditing Third Party Suppliers .....	15
8.4.	Performance Monitoring.....	15
	Annex A – Product History .....	16

## 1. Administrative Elements

### 1.1.Scope

This agreement defines the Supplier Quality Agreement between the parties identified below.

It defines the commitment both parties make to ensure that their respective products and services satisfy the quality and regulatory requirements called out in this agreement.

Both parties agree to cooperate in the success of this agreement.

This agreement does not define the forecasting, ordering, delivery, or pricing requirements for either party.

This agreement does not define the specifications for the products or services covered.

### 1.2.Parties to the Agreement

This quality agreement is executed between supplier and Northwest Fourslide Inc, hereafter referred to as customer.

Supplier agrees to provide the goods or services defined below in full conformance with the requirements of this agreement.

### 1.3.Definitions, Abbreviations, and Acronyms

The following terms are included in this agreement.

Term	Definition
Accuracy	A statement of how close a measured value is to the actual (true) value. See also, precision.
Complaint	A written, electronic, or oral communication that alleges deficiencies related to the identity, quality, durability, reliability, safety, effectiveness, or performance of a product after it is released for distribution.
Concession	Permission to use or release material that does not conform to specified requirements. A concession is frequently called a Use-As-Is (UAI) disposition.

Term	Definition
Corrective Action	Action to eliminate the cause of a detected nonconformity or other undesirable situation
Directed Procurement	A case in which Customer directs Supplier to obtain a good or service from a particular third party. In a directed procurement, Customer is responsible for product qualification Supplier qualification, etc. Supplier should track and report the third party's performance metrics to Customer.
FIFO	First In, First Out
IM&TE	Inspection, measuring, and test equipment
Precision	A statement of the repeatability of a measure. See also, accuracy.
Product	Product is the output of a process and includes, but is not limited to, goods, services, software, documentation, and consulting.
Promptly	Unless specified otherwise, promptly means within ten working days.
QMS	Quality Management System
Rework	Action on nonconforming material to make it conform to the requirements
RMS	Risk Management System
Scrap	Action on nonconforming material to preclude its originally intended use
Supplier	Supplier delivers product to Customer. The term Supplier includes, but is not limited to, contractors, consultants, sister organizations, and parent organizations.

**1.4.Referenced Documents**

ISO 9001: 2015 Quality Management Systems – Requirements  
 AS9100D: 2016 Quality Management Systems – Requirements  
 NADCAP - Requirements

**1.5.Products and Services Covered By This Agreement**

This agreement pertains to the services listed within the Purchase Order.

**1.6.Site(s) Involved**

Supplier produces the products at any of the sites listed on its web site.  
 Supplier ships the product to Customer from any of the sites listed on its web site.  
 Customer receives the product at any of the sites listed on its web site.

**1.7.Quality Management Systems**

Supplier and Customer shall each maintain a registered Quality Management System

(QMS) that conforms or is compliant to the requirements of ISO 9001, AS9100 or NADCAP (as required).

Should Supplier determine that a requirement of ISO 9001, AS9100 or NADCAP is not appropriate or not applicable to the product delivered, Supplier shall notify Customer within thirty days of making that determination.

### **1.8.Risk Management System**

Supplier and Customer shall each maintain an appropriate Risk Management System.

Both Supplier and Customer shall integrate the Risk Management System (RMS) into the Quality Management System (QMS) accordingly. If needed, product and process FMEAs shall be maintained.

### **1.9.Term of Agreement**

This Agreement shall become effective and binding upon the date of the final signature and shall remain in effect until either party terminates this Agreement by giving written notice to the other party.

## **2. Compliance**

### **2.1. Specifications**

Customer shall define the specifications for the product Supplier provides. This could take many forms including drawings, reference to commercial specifications, identified brand names, and/or referenced standards. Beforementioned documents may include important information such as critical items, key characteristics, or other special requirements that must be followed and adhered to.

Such specifications may be in the form of paper documents, electronic documents or other appropriate media. Supplier undertakes to deliver product that is in full conformance to the agreed specifications.

### **2.2.Specification or Process Changes**

Changes to specifications may only be made by the design authority. Changes to supplier processes or methods must be agreed upon mutually in writing between Supplier and Customer. In addition to agreement of any changes, Supplier and Customer will determine the effective date of the change. This will ensure that there

is effective design and development control throughout the life of the product.

### 2.3. Inspections

Supplier shall promptly notify Customer of any inspection or audit findings that impact the safety, effectiveness, conformity, or availability of product Supplier provides to Customer.

Supplier shall disclose to Customer any relevant inspection or audit results deemed to effect customer quality. Supplier shall upon request by Customer disclose in English for specific findings the root cause, correction and corrective /preventive action and the evidence that the action taken is effective.

Supplier may be required to use certain statistical techniques for product acceptance and/or related instructions for acceptance, if listed in specifications as described in section 2.1. Supplier will provide final product for process/design approval, inspection/verification, investigation, or auditing purposes.

### 2.4 Prevention of Counterfeit Parts

Supplier shall take steps appropriate for prevention of counterfeit parts per AS9100D 8.1.4.

Suppliers shall have a system to ensure that Fraudulent/Counterfeit Parts are not delivered to Northwest Fourslide as described in **SAE AS6174**; Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Materiel. Further information can be found at <http://counterfeitparts.sae.org/>

For reporting of suspect counterfeit/fraudulent see FAA Advisory Circular AC 21-29

Requirements regarding counterfeit parts prevention is subject to be flown down to sub-tier suppliers.

### 2.5 External Processes

Third parties (external providers) performing external processes shall be designated or approved by the Customer. Supplier must receive approval prior to any change in provider or any major internal process change from the provider. Supplier must review customer requirements and ensure that any applicable requirements pertaining to external provider(s) is flowed down.

## 2.6 Ethical Behavior

Supplier shall adhere to ethical behavior practices including those defined by Federal law (Employee Rights, Equal Opportunity etc.) and State law (Minimum Wage Rates, Family Leave, Safety etc.).

Awareness programs and training are in place to ensure employees are aware of the importance of ethical behavior.

## 2.7 Product Conformity & Safety

Supplier shall be made aware of their contribution to product or service conformity and their contribution to product safety. The Supplier shall develop and maintain a competent workforce with the necessary education, skills, and experience to implement its quality system and ensure its Product meets specified requirements.

## 2.8 Right of Access

Supplier shall allow for the right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain. Reasonable notification shall be made in the case that right of access is executed.

Source of inspection does not absolve the organization of its responsibilities to provide acceptable processes, products, and services and to comply with all requirements.

## 2.9 Certifications and Regulatory Compliance

Supplier shall provide applicable ISO or other regulatory certificate(s) to POI upon execution of this Agreement.

Supplier must inform POI of any withdrawal, suspension, or expiration of an ISO, AS, or other applicable regulatory Certificate.

Suppliers, Processors and their sub-tiers shall ensure compliance to ITAR and EAR requirements when handling Northwest Fourslide parts and documentation.

Suppliers that receive DoD information shall comply with Federal regulations outlined in DFARS 252.204-7012, "Safeguarding covered Defense Information and Cyber Incident Reporting and rapidly report any cyber incident to the Department of Defense (DoD) at <http://dibnet.dod.mil> and to Buyer's Authorized Purchasing Representative within forty-eight (48) hours of discovery.

Suppliers are required to be in compliance with all national and regional legislation and requirements regarding waste disposal and environmental protection. Supplier shall notify POI of any Regulatory Authority investigation relating directly to the Product within forty-eight (48) hours of receipt.

Suppliers to Northwest Fourslide shall comply with FAR 52.222-50 "Combatting Trafficking in Persons."

Suppliers are required to comply with FAR 52.203-19 regarding requiring its employees or subcontractors to sign confidentiality agreements or any statements that restrict the lawful reporting of fraud, waste or abuse associated with government contracts.

Flow Down Requirements: It is the responsibility of the supplier and the processor to flow down all appropriate and relevant SQAM requirements and information to their sub-tier suppliers.

## **3.0 Manufacturing, Packaging, and Labeling**

### **3.1 Equipment**

Supplier shall ensure that all equipment used in the manufacturing process for product is appropriately designed, constructed, placed, and installed.

Supplier shall establish and maintain schedules for the adjustment, cleaning, and other maintenance of equipment to ensure that manufacturing specifications are met.

Supplier shall keep records of these activities and make them available to Customer upon request.

### **3.2 Inspection, measuring, and test equipment**

Supplier shall ensure that all inspection, measuring, and test equipment (IM&TE) used in the manufacturing process for product is suitable for its intended purposes and can produce valid results. Suitability includes limits for accuracy and precision.

Supplier shall establish and maintain schedules for the calibration, adjustment, cleaning, and other maintenance of equipment to ensure that manufacturing specifications are met.

Calibration standards used for IM&TE shall be traceable to national or international

standards.

Supplier shall keep records of these activities and make them available to Customer upon request.

### **3.3 Labeling Operations**

Supplier shall control all labeling and packaging operations to prevent product and product labeling mix-ups.

Supplier shall keep records of these activities and make them available to Customer upon request.

### **3.4 Packaging Operations**

Supplier will pack and package the product using the agreed methods or best practices to protect the product from deterioration or damage during processing, storage, handling, and shipment.

Supplier shall keep records of these activities and make them available to Customer upon request.

### **3.5 Shipping Operations**

Supplier will ship the product using the agreed methods and carrier to Customer or to a drop ship address provided by Customer.

Supplier shall keep records of these activities and make them available to Customer upon request.

### **3.6 Certification of Conformance**

Supplier shall provide with each shipment signed and dated certificates of compliance for each batch, lot or serial number.

## **4.0 Documentation and Records**

### **4.1 Product History Record**

Supplier and Customer will agree on which party maintains selected portions of the Product History Record. The responsibilities are defined in Annex A.

Upon the request of Customer, Supplier shall make all records available within two working days.

## 4.2 Record Retention

Records required by the agreed upon quality system will be maintained for a minimum period of ten (10) years from the date of last production. Records beyond this minimum retention period may be disposed of.

## 5.0 Storage and Shipment

### 5.1 Storage

Supplier shall establish and maintain procedures to control storage areas and stock rooms to prevent mix-ups, damage, deterioration, contamination, or other adverse effects.

Supplier shall ensure that all products are stored to facilitate proper stock rotation and that product is retrieved from stock using First In, First Out (FIFO) methodology.

### 5.2 Shipment

Supplier shall ship products to Customer or customer indicated locations using agreed shipping methods to prevent the damage or deterioration of the product.

Supplier is responsible for selecting adequate packaging for storage and transportation.

### 5.3 Foreign Object Debris

Suppliers shall make provision for the prevention, detection, and removal of foreign objects per AS9146. Such provisions shall establish specific requirements and procedures for the control of Foreign Object Debris/Damage, and shall have controls which are being implemented to ensure cleanliness of work areas. These requirements and procedures must include the following aspects: a) adequate control of tools and consumables on the shop floor; b) product and process design guidelines to reduce/prevent FOD; c) adequate training of all personnel; d) housekeeping and maintenance procedures designed to reduce/prevent FOD.

## 6.0 Change Control

### 6.1 Change Requests

If Supplier requests to change a document, specification, drawing, etc. under Customer's control, Supplier shall document the request including the specific change, the reason for the change, and if applicable, the benefit derived from approving the request, the loss incurred from disapproving the request, and the anticipated lead time before the change is reflected in the product.

Customer shall promptly acknowledge receipt of each change request.

Customer shall make a decision to accept or reject the change within thirty days of acknowledging receipt.

For accepted changes, Supplier and Customer will work together as needed to develop a plan to implement the change.

## 6.2 Deviations

If Supplier needs to request a deviation from a document, specification, drawing, process, material etc. relevant to the Customer's product, Supplier shall document the deviation request including the specific deviation, the reason for the deviation, and the period (time, lots, etc.) the deviation will be in effect.

Customer shall make a decision to accept or reject the deviation request within thirty days of acknowledging receipt.

## 6.3 Other Changes

Supplier shall promptly notify Customer of changes, other than those documented above, in the product or service so Customer may determine whether the changes may affect the quality of a finished product.

Customer shall make a decision to accept or reject the change within thirty days of acknowledging receipt.

## 7.0 Non-Conformance, CAPA, and Complaints

### 7.1 Disposition of Non-conforming Material and Product

Supplier shall segregate, investigate, and disposition all nonconforming material and product.

Supplier shall request written authorization from Customer for any non-conforming product where a disposition from Customer is necessitated. Dispositions may include, but are not limited to concession, rework, scrap, etc.

If Supplier requests authorization for a rework or concession disposition, Supplier shall document the disposition request including

1. the failed inspection or test,
2. the inspection or test results, and, if applicable,
3. the proposed rework,
4. the proposed inspection and test of the repaired product.

Supplier shall update the risk analysis documents as needed to include information on the process or product nonconformity.

Supplier shall notify customer without undue delay of non-conforming product detected after shipment.

### **7.2 Supplier Initiated Corrective Action**

Supplier shall initiate correction and corrective action for all detected nonconforming material regardless of disposition. Corrective Action shall include the following steps.

1. Any required containment and correction of the product
2. Determining the root cause(s) of nonconformity
3. Evaluate the need for action to ensure the nonconformity doesn't recur
4. Determine the action needed to prevent recurrence
5. Implement the action needed to prevent recurrence
6. Provision of evidence of the effectiveness of the corrective action
7. Review the effectiveness of the corrective action

Supplier shall keep records of these activities and make them available to Customer upon request.

### **7.3 Customer Initiated Corrective Action**

Customer may initiate corrective action for Supplier when Customer identifies product or process nonconformity after receipt of Supplier's product.

Supplier shall initiate corrective action upon receipt of Customer's initiation. Supplier's Corrective Action shall include the following steps.

1. Any required containment and correction of the product
2. Determining the root cause(s) of nonconformity
3. Evaluate the need for action to ensure the nonconformity doesn't recur
4. Determine the action needed to prevent recurrence
5. Implement the action needed to prevent recurrence
6. Provision of evidence of the effectiveness of the corrective action
7. Review the effectiveness of the corrective action

Supplier shall report the results of the corrective action to Customer within 15

working days of initiation.

When the Corrective Action is not completed within 15 working days, Supplier shall provide a status report every 10 working days until the corrective action is completed.

Supplier shall keep records of these activities and make them available to Customer upon request.

#### **7.4 Supplier Received Complaints**

If Supplier receives a complaint related to the product, Supplier provides to Customer, Supplier shall promptly notify Customer.

Customer will enter the complaint into Customer's Complaint Management System and review and evaluate the complaint to determine whether an investigation is necessary.

Customer will notify Supplier of the decision to investigate or not.

If Customer requires Supplier's assistance in the investigation, Customer will follow Customer Initiated Corrective Action described above.

#### **7.5 Customer Received Complaints**

If Customer receives a complaint related to the product Supplier supplies, Customer will enter the complaint into Customer's Complaint Management System and review and evaluate the complaint to determine whether an investigation is necessary.

If Customer requires Supplier's assistance in the investigation, Customer will follow Customer Initiated Corrective Action described above.

#### **7.6 Recall**

If Supplier issues a Recall for the product Supplier provides to Customer, Supplier shall promptly notify Customer.

If Customer issues a Recall for the product Supplier provides to Customer, Customer shall promptly notify Supplier.

In all Recall situations, Supplier and Customer shall cooperate to ensure an effective recall. A recall strategy may be developed by either party, recall success criteria established as needed, and periodic recall status reports created.

## 8.0 Audits/Performance Monitoring

### 8.1 Customer Audits of Supplier Facilities

Supplier shall allow Customer, Customer's clients, or Customer's authorized representative, to perform audits of Supplier's facilities, systems, documentation, and other requirements related to this agreement.

Audits shall be conducted at mutually agreed dates and times.

Supplier and Customer will agree upon methods to protect intellectual property such as confidentiality agreements, non-disclosure agreements, etc.

### 8.2 Customer Audit Findings

When conducting audits at Supplier's location, Customer will issue an Audit Report within ten (10) working days of the audit's conclusion.

Supplier shall issue a plan to determine the correction, cause, and corrective action for each finding within thirty days of the Audit Report's issue date.

### 8.3 Auditing Third Party Suppliers

Supplier shall perform audits of third-party suppliers and flow down Customer requirements as appropriate.

Suppliers shall require that external suppliers apply appropriate controls to their direct and sub-tier external providers, to ensure that requirements are met.

### 8.4 Performance Monitoring

Supplier's performance will be monitored and assessed regularly to ensure supplier is meeting expectations and is delivering intended results. Performance metrics monitored may consist of on-time delivery, non-conformances PPM, responsiveness, etc.. A supplier's performance that fails to meet customer expectations may be evaluated for business continuation and potentially removed from approved supplier list if performance does not improve.

### Annex A – Product History

<b><i>Procedure and Record Responsibility</i></b>			
	<b><i>Customer</i></b>	<b><i>Supplier</i></b>	<b><i>Location</i></b>
<i>Product specifications and inspection and test requirements</i>	<i>P (Primary)</i>	<i>S (Secondary)</i>	<i>Engineering change orders</i>
<i>Production process quality planning</i>	<i>S</i>	<i>P</i>	<i>Manufacturing change orders</i>
<i>Manufacturing procedures</i>		<i>P</i>	<i>QMS procedures</i>
<i>Inspection and test procedures</i>		<i>P</i>	<i>(Final) Test, receiving, and in-process inspection plans and record</i>
<i>Packaging specifications</i>	<i>P (primary packaging for display and end-user)</i>	<i>P (secondary packaging for transport and storage)</i>	<i>Part of product specifications</i>
<i>Distribution</i>		<i>P</i>	<i>Shipping records</i>

<b>Product Record</b>	<b>Customer</b>	<b>Supplier</b>
• Date of manufacture		X
• Quantity manufactured		X
• Quantity released to Customer		X
• Acceptance records demonstrating product meets specifications and is made in accordance with the QMS		X
• Product identification (batch, lot or serial number)		X

FRM-PUR-02	Supplier Quality Agreement	Rev. H	Pg. 17 of 17
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Certificate of Conformity including product identification	X	X
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Revision History, Supplier Quality Agreement			
Revision	Date	Editor	Changes Made
D	7/26/17	BD, TRM	Update to ISO 9001:2015 and AS9100D including awareness of ethical behavior.
E	6/26/19	KBM	Update company name from Northwest Fourslide, Inc. to NW4S, Inc.
F	7/17/19	KBM	Added lines 2.7 & 2.8
G	10/7/19	KBM	Added Lines 2.9 & 8.4
H	7/16/20	KBM	Modified 2.4, 2.9, 5.1 & Added 5.3