

DIRECT AEROSYSTEMS, Inc.

SUPPLIER QUALITY AGREEMENT

Once your company is approved and placed on the Direct AeroSystems, Inc. approved supplier list (ASL) your company will agree to the following:

1. The supplier will be monitored for on time delivery (OTD) and rejection rate (RR).
2. Supplier OTD must remain 95% or the supplier will be downgraded to probationary status or removed from the ASL.
3. Supplier RR must maintain 1% or less or the supplier will be downgraded to probationary status or removed from the ASL.
4. If a product you supply to Direct AeroSystems, Inc. is identified as non-conforming after it has been shipped, you will notify Direct AeroSystems, Inc. immediately and issue a return authorization for the entire heat lot. The supplier will also provide a corrective action and preventive action within 30 days.
5. If Direct AeroSystems, Inc. notifies the supplier of a non-conforming product, the supplier will issue a return material authorization within 5 days as well as corrective action and preventive action within 30 days.
6. The supplier will provide a certificate of conformance and material certification for each heat lot and deliver it with the product with every shipment.
7. All products supplied to Direct AeroSystems, Inc. will be RoHS compliant, REACH compliant and Conflict minerals compliant. All raw material supplied to Direct AeroSystems, Inc. will be DFARS compliant unless otherwise specified
8. All production records and material certs will be retained for minimum of 10 years or as specified by Customer retention requirements.
9. The supplier will allow right of access for Direct AeroSystems, Inc. as well as DAS customers for an on-site audit of the Quality Management System at agreed upon intervals as well as when necessary for non-conformance resolution.
10. The supplier is required to notify Direct AeroSystems, Inc. of any changes to the QMS including providing current QMS certifications (AS/ISO/NADCAP etc.).
11. Use customer-designated or approved external providers, including process source (e.g., special processes) when applicable.
12. Notify Direct AeroSystems, Inc. of nonconforming processes, products, or services and obtain our approval for their disposition.
13. Prevent the use of counterfeit parts. Suppliers should utilize and reference AS6174 and/or AS5553 for guidance, supplier shall also flow down counterfeit parts process requirements to their sub-tiers, especially but not limited to:
 - Electronic Parts Suppliers;
 - Raw Material Suppliers;
 - Distributors of Hardware;
 - Manufacturers.
14. Notify Direct AeroSystems, Inc. of changes to processes, products, or services, including change of your external providers or location of manufacture, and obtain our approval.
15. Flow down to your external providers applicable requirement including customer requirements.
16. Retain documented information, including retention periods and disposition requirements.
17. Ensure that your personnel are aware of:
 - Their contribution to product or service conformity;
 - Their contribution to product safety when applicable;
 - The importance of ethical behavior.
18. Identify and timely inform us of all products meeting the definition of “defense articles” as that term is defined in 22 CFR § 120.6 of the International Traffic in Arms Regulations. In addition, Direct AeroSystems expects Suppliers who engage in the US in the business of manufacturing or exporting defense articles or furnishing defense services to be registered and keep their registration current with the US Department of State.