

Procurement Provisions

- 1) Supplier shall maintain the proper relevant technical data of the processes, products and/or services provided. (e.g., identification and revision status specifications, drawings, process requirements, work instructions)
- 2) When indicated on the purchase order, suppliers must use Koehlke Component's customer-approved special process sources.
- 3) Koehlke Components reserves the right of final approval of products and services, methods processes and equipment, and the final release of products and services.
- 4) All special process must be performed by qualified and competent persons.
- 5) Koehlke Components reserves the right to identify the requirements for interaction with our Suppliers including:
 - a) The use of interactive documentation
 - b) The use of email
 - c) Documented confirmation methods of all verbal interactions
- 6) Koehlke Components reserves the right to monitor the Supplier's performance including:
 - a) Supplier Risk
 - b) Quality of product or service delivered
 - c) On time delivery of product or service
- 7) Koehlke Components reserves the right to designate requirements for verification or validation activities that we or our customer, intend to perform at the Suppliers' premises
- 8) Koehlke Components reserves the right to approve or specify any designs, tests, inspection plans, verifications, criteria for design and development required by Koehlke Components from a Supplier
- 9) Koehlke Components reserves the right to approve or specify any special requirements, critical items, or key characteristics
- 10) Koehlke Components reserves the right to approve or specify any test, inspection, and verification (including production process verification) to ensure that purchased product/service meets the requirements
- 11) Koehlke Components performs inspection activities to ensure that purchased product meets requirements, including:
 - a) Receiving inspections (of supplier products / services / documents) performed by a designated employee. Koehlke Components verifies the authenticity of the appropriate certificate of conformity, material certificates, etc. and other accompanying documentation by review and comparison (as is appropriate) to the drawing and/or industry specifications, or by other means. When necessary, Koehlke Components may inspect or audit at the supplier's facility.
 - b) Product inspections to ensure they meet requirements, dimensions, etc. Special processes where compliance cannot be verified by inspection will require a Certificate of Conformity.
- 12) Koehlke Components reserves the right to approve or specify the use of statistical techniques for product acceptance and related instructions for acceptance by Koehlke Components.

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13) To ensure product identification and traceability, Koehlke Components will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on Koehlke Components RFQ, purchase order, or may otherwise be communicated to the supplier.

14) Koehlke Components reserves the right to require the need from the Supplier to:

- a) Implement a Quality Management System and we reserve the right to review and approve the Supplier Quality Management System
- b) Use customer-designated or approved Suppliers, including special process sources
- c) Notify Koehlke Components of nonconforming products or services (e.g. all deviations from drawing/specification requirements) immediately upon discovery and obtain approval from Koehlke Component's Quality Manager for nonconforming product disposition
- d) Koehlke Components requires that the Supplier have policies and procedures to identify potential Counterfeit Parts from suppliers. Seller shall immediately notify Koehlke Components with the pertinent facts if Supplier becomes aware of or suspects that Counterfeit Parts may have been used in a product delivered to Koehlke Components. In the event that products delivered under this order constitutes or includes Counterfeit Parts, Supplier shall, at its expense, promptly replace such Counterfeit Parts with genuine parts conforming to the requirements of this order. Notwithstanding any other provision in this order, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Parts.
- e) The supplier shall notify Koehlke Components of any changes to a product and/or process, including changes of Suppliers or location of manufacture, that may affect conformance to specifications or requirements, and to obtain approval from an authorized Koehlke Components manager or designee prior to production. If a First Article of Inspection (FAI) was required by the contract for the first product, a new FAI shall be required from the supplier.
- f) Flow down to the supply chain all applicable requirements (regulatory and AS9100 standards requirements enclosed with the PO, including customer requirements and keys characteristics where required)
- g) Provide test specimens for design approval, inspection/verification, investigation, or auditing
- h) Retain all records associated with the purchase orders for a minimum of 10 years or as required by contract and have at our disposal such documents to be controlled

15) Koehlke Components reserves the right of access by Koehlke Component's employees, our customers, and any regulatory authorities to the applicable areas of facilities and to applicable documented information involved in the aerospace order, at any level of the supply chain When Koehlke Components or its customer intends to perform verification at the supplier's premises, Koehlke Components will first state the intended verification arrangements and the method of product release. This information will be communicated on the Koehlke Components RFQ, purchase order, or via another acceptable purchasing arrangement.

16) Koehlke Components reserves the right to request evidence from the Supplier to ensure its employees are aware of:

- a) their contribution to product or service conformity
- b) their contribution to product safety
- c) the importance of ethical behavior

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17) DOMESTIC SPECIALTY MATERIALS Supplier warrants that any furnished item containing specialty metals is in compliance with DFAR 252.225-7009, section 225.7003-5. Supplier shall provide evidence of compliance, including flow down to all sub-tier suppliers, when requested by Koehlke Components.

18) FOREIGN OBJECT DAMAGE (FOD) PREVENTION The Seller shall maintain a FOD control program, as defined in AS9146, assuring work is accomplished in a manner preventing foreign objects or material from entering and remaining in deliverable items. Maintenance of the work area and control of tools, parts and material shall preclude the risk of FOD incidents. Prior to closing inaccessible or obscured areas and compartments during the manufacturing process, the Seller shall inspect for foreign objects/materials. The Seller shall investigate all FOD incidents assuring elimination of the root cause.

19) Koehlke Components may also require specific actions where timely and/or effective corrective actions to a supplier issue are not achieved. These actions may include but are not limited to any or all of the following: withholding payment until the issue is resolved, removal of the supplier from Koehlke Components Approved Supplier list, and legal action.

20) INFORMATION TECHNOLOGY - Koehlke Components requires that the Supplier maintains data protection processes and systems to adequately protect specifications, information, data, drawings, software, and other items which are given to the Supplier. If an event occurs where the Supplier knows, or believes that Koehlke Components Data has been accessed, acquired, or disclosed to unauthorized individual(s) (i.e. "Security Incident"), the Supplier shall use reasonable efforts to investigate, contain, and remediate the Security Incident and notify Koehlke Components in writing no later than 48 hours after discovering the Security Incident. The Supplier shall encrypt emails to Koehlke Components regarding Security Incidents using industry standard encryption methods. The Seller shall ensure equivalent terms, to those contained within this Clause 20, and are incorporated into agreements with their suppliers so that Buyer Data is adequately protected in further sub-tiers of the supply chain.

21) Koehlke Components requires that the supplier will immediately notify Koehlke Components of any actual or potential delay in its production, its sub-contractor's production, or logistics providers service. Notices shall include a revised schedule using the Supplier's best efforts; however, Buyer's receipt shall not constitute a waiver to the original delivery date.