

SAFRAN Power USA, LLC

MRO Quality Terms and Conditions

Conditions as applicable:

1. PURCHASE ORDER SUBCONTRACTING

Complete purchase orders shall not be subcontracted without the written authorization of SAFRAN Power USA LLC.

2. MATERIAL REVIEW BOARD / NON-CONFORMANCE NOTIFICATION

Unless specifically authorized in writing by the SAFRAN Quality Department, no Material Review Board (MRB) dispositioning authority is granted to the supplier. SAFRAN reserves the right to deny consideration of any non-conforming product submitted by the supplier for acceptance review. SAFRAN may grant permission to deliver non-conforming product. The supplier must submit a request which describes the non-conformance. If the non-conformance is accepted, a copy of the approved SAFRAN Material Review Report (MRR) shall be included with the shipment and the MRR number shall be referenced on the supplier's Certification of Conformance (C of C). The supplier's documentation for articles submitted to SAFRAN in response to a "return to supplier", "repair" or "rework" disposition shall include items 1 and 2, (may include item 3 as required):

1. A statement identifying whether the material was reworked or replaced.
2. The supplier's non-conforming report number and SAFRAN's MRR number
3. If reworked or repaired, a description of the rework/repair performed.

3. RECORD KEEPING

The supplier shall keep all production and inspection records related to the order on file for a minimum of 3 years (unless otherwise specified on the purchase order). If conformance to this requirement cannot be certified, or if records related to SAFRAN orders are to be destroyed before this period has elapsed, SAFRAN shall be notified and all records forwarded to us. All SAFRAN suppliers must flow down this requirement to their respective sub-tier suppliers.

4. CERTIFICATION OF CONFORMANCE

Each shipment shall be accompanied by a legible certification which states that the items were produced, processed, and/or tested in accordance with stated applicable purchase order or subcontract requirements, including revision level(s) as appropriate. Signature of a supplier representative and date signed is required. When parts are serialized, serial numbers shall appear on or be attached to the certification. The supplier may use the SAFRAN C of C template, to be furnished upon request, or the supplier's equivalent (provided it contains all the required information).

Any repair or rework must be noted by referencing the SAFRAN Material Review Report number on the certification.

5. FAA FORM 8130-3

Each shipment shall be accompanied by a legible FAA Form 8130-3 (or equivalent EASA Form 1 for companies holding EASA Certification) which certifies that the items listed have been inspected/repaired/modified/overhauled/tested per FAA approved or accepted data. The approved/accepted data will be referenced. The SAFRAN Purchase Order will note if a Dual Release is required. Form 8130-3 is to be completed per FAA Order 8130.21 (latest revision).

6. TRACEABILITY (RAW MATERIAL)

Raw materials must be identifiable by lot number, material type, heat number and specification with applicable change level, and traceable to records of acceptance. If raw material is provided by the supplier, a copy of the mill certifications must be supplied to SAFRAN with the finished product. The supplier shall make all efforts to minimize the number of lots included in each shipment (one lot per shipment is preferred). If more than one lot of material is provided, each lot shall be segregated for packaging and shipment to SAFRAN. Traceability records shall be provided to SAFRAN when the applicable parts are delivered and made available for review by a SAFRAN representative. When it is a requirement of the raw material specification, chemical/physical test reports shall be obtained by the supplier and compared to the specification requirements to verify compliance. The reports shall be directly traceable to the raw material used and shall be provided to SAFRAN when the applicable parts are delivered and made available for review by a SAFRAN.

7. CONFIGURATION CHANGES

Supplier and its sub-tier suppliers are not authorized to make any change in materials, process or design details that would affect the part or any component part thereof with regard to:

1. Part number identification
2. Physical or functional interchangeability, and
3. Performance without prior written approval of SAFRAN

8. CONTROL OF QUALITY

The supplier shall maintain a quality management system that complies with the following specifications. Compliance with the provisions of this clause in no way relieves the supplier of final responsibility to furnish acceptable supplies or services as specified herein. This system shall be subject to audit by SAFRAN, our customers and/or government representatives.

1. Registered AS9100
2. Registered ISO 9001
3. SAFRAN Approved Quality System
4. NADCAP
5. FAA Part 145
6. FAA Part 21
7. ISO 17025 or AALA

9. PACKAGING REQUIREMENTS

Packaging must conform to all requirements specified on drawings, specifications and the purchase order and secondly to the following:

1. At a minimum, all articles delivered to SAFRAN shall be wrapped, bagged and enclosed in cartons, boxes or other containers to the extent necessary to provide protection from hazards of damage and physical damage encountered in general handling, shipping and storage.
2. Bare metal material having surface protective treatment such as plating, painting, anodizing, conversion coating, etc., shall be wrapped separately in chemically neutral craft paper or equivalent.

10. SUPPLIER EVENTS REQUIRING NOTIFICATION

Supplier must notify SAFRAN within 30 days in advance of the following:

Changes to manufacturing process/materials (also from subcontractors) defined in the work instructions/specifications.

1. Loss of critical capability.
2. Transfer of manufacturing location.
3. Transfer of the manufacturing equipment within the location.
4. Change in sub-tier suppliers (SAFRAN must approve the changes before production begins).

11. QUALITY ESCAPES

The supplier must notify SAFRAN of any quality escapes shipped to SAFRAN as soon as they become known to the supplier. The supplier agrees to participate in any corrective action investigations relating to work performed for SAFRAN and to be responsible for the financial consequences. Suppliers must notify SAFRAN where product malfunctions, defects, and non-airworthy conditions exist.

12. RIGHT OF ACCESS

All work on this order is subject to inspection and test by SAFRAN representatives, including our customers, the FAA or other authorities. The supplier shall provide representatives to allow the review of any records and work related to this order. This oversight does not relieve the supplier of the obligation to provide conforming product. The quality system of the supplier is also subject to surveillance by SAFRAN, the FAA or our customers during normal business hours. The supplier must allow free access to applicable areas of the facilities, at any level of the supply chain, associated with the manufacture and/or repair of SAFRAN articles. This includes access to all corresponding records, up until the expiration of their retention period.

13. FIRST ARTICLE INSPECTION (FAI)

First Article Inspection shall be performed on a single completed article that is clearly identified as the “first article”. AS9102 format and instructions shall be used, although supplier may use its own format if it meets the AS9102 requirements. All parameters and notes shown on the drawing(s) must be inspected and tested or reported on supplier’s format. Each individual part number must be addressed including all dash numbers and manufacturing numbers. When applicable, first articles shall be identified to show which tool serial number or cavity number was used (when more than one cavity is used, submit an FAI report for each cavity used).

14. CHANGES

SAFRAN shall have the right at any time to make changes or revisions, within the general scope of this contract, to the drawings, designs, specifications, quantities, delivery schedules, method of shipment or packaging, place of inspection or acceptance, and/or point of delivery and seller agrees to be bound thereby. Interchange and liaison with SAFRAN technical personnel shall not vest seller with authority to change the specifications, terms, or provisions of this contract unless it is evidenced in writing. If such authorized, written changes result in delay or any increase or decrease in cost, seller shall notify SAFRAN immediately and negotiate an equitable adjustment, provided however that seller shall, in all events, proceed diligently to supply the items or perform the contracted work or services as so changed. No claim by seller for such equitable adjustment shall be valid unless accompanied by proper explanation and justifications and submitted by buyer in writing within 15 days from the date of such change.

15. THREADED METALLIC FASTENERS

Threaded metallic fasteners must be manufactured by a source which supplier’s quality assurance personnel have surveyed (method optional,) or who is currently ISO 9001 registered by a registrar accredited by the National Accreditation Program of the American National Standards Institute and the ASQ Registrar Accreditation Board (RAB) or equivalent.

16. SHIPMENT CONTROL BY SERIAL NUMBERS

Supplier shall identify by serial number the material shipped, and packing sheets shall show list of serial numbers included in the shipment. The supplier shall assign serial numbers to all delivered items per the purchase order instructions. Serial numbers shall not be duplicated.

When serialization requirements are imposed by SAFRAN, all goods, including spares, test units, etc., with a single basic family number (e.g.: 1B54321) will be assigned sequential numbers, regardless of configuration (dash numbers). Serial numbers assigned will contain no duplications and will not exceed ten digits. Goods reworked to a new configuration with the same basic number will retain the original serial number and these will show a letter R after the serial number. Supplier may use its own serialization system within the limitations outlined above, unless otherwise specified by SAFRAN MRO. Supplier will indicate serial numbers on all shipping reports. Listing serial numbers by ranges is acceptable providing that any breaks in the range are also noted. If goods are delivered in multiple shipments, only the serial numbers of the goods in a given shipment will be listed in the shipping report for that shipment.

Serial numbers of delivered items will be assigned by SAFRAN. Contact SAFRAN buyers unless the assigned serial number(s) is already noted on the purchase order. Serial numbers shall not be duplicated and shall provide full traceability to all material, fabrication, assembly, inspection and test documentation.

17. IDENTIFICATION OF SHELF LIFE / TEMPERATURE-SENSITIVE MATERIALS

Each item, package or container shall reflect the specification, drawing, nomenclature, or other design description required by the Purchase Order. Cure or manufacturing dates, assembly dates, expiration dates, temperature limits, compound number, and manufacturing identification will be recorded on the certifications and shipping documents, as appropriate. Items received with less than 75% shelf life remaining shall be cause of rejection unless otherwise specified by the purchase order. Temperature-sensitive materials shall be maintained within the limit prescribed in the applicable document during storage and shipment. Material required being shipped/stored at 40° F or less requires special temperature labels to be attached to the exterior of each package. Label shall reflect the words “temperature sensitive material” and the maximum material storage range allowed.

18. SOURCE SURVEILLANCE / INSPECTION (IN PROCESS AND FINAL)

All items covered by this purchase order are subject to Source Surveillance / Inspection by SAFRAN quality representatives. This may include surveillance of the supplier's product throughout fabrication and final acceptance test to verify requirements of the purchase order are adequately satisfied. The supplier is required to provide the SAFRAN quality representative with reasonable facilities and equipment to accomplish this task. The SAFRAN quality representative may specify mandatory SAFRAN inspection points in supplier's fabrication and testing documentation. SAFRAN source surveillance inspection is mandatory for final acceptance testing unless specifically waived by SAFRAN quality assurance. The SAFRAN buyer shall be notified a minimum of five working days (excluding weekends and holidays) in advance to schedule such inspections. Evidence of source inspection shall be included with the order.

19. SOURCE INSPECTION (FINAL INSPECTION)

All deliverable items covered by this purchase order require final acceptance inspection and/or test verification at the supplier's facility by and SAFRAN quality representative or his delegate prior to shipment. The supplier will make available to SAFRAN quality representative, at time of presentation of items, the supplier's inspection, manufacturing, traceability and material review records. The SAFRAN buyer shall be notified a minimum of five working days (excluding weekends and holidays) in advance to schedule such inspections. Evidence of source inspection shall be included with the order.

20. SOURCE INSPECTION – GOVERNMENT

Government source inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify and furnish a copy to the government representative who normally services your plant so that the appropriate planning for government source inspection can be accomplished. The government representative shall be notified 7 days in advance of the required inspections or tests. Government source inspection shall not constitute acceptance, nor shall it in any way replace supplier inspection or otherwise relieve supplier of responsibility to furnish and acceptable product. In the event that the government representative cannot be located, the SAFRAN MRO buyer shall be notified immediately. Evidence of government source inspection must be shown on the shipping document.

21. SOURCE INSPECTION – CUSTOMER OF SAFRAN

All work on this order is subject to inspection and test by our customer's quality representative. Upon receipt of this order, promptly notify and furnish a copy to the customer quality representative so that the appropriate planning for the source inspection can be accomplished. Our customer's representative shall be notified 7 days in advance of the required inspections or tests. Customer source inspection shall not constitute acceptance, nor shall it in any way replace supplier inspection or otherwise relieve supplier of responsibility to furnish an acceptable product. In the event that the representative cannot be located, the SAFRAN buyer shall be immediately notified. Evidence of customer source inspection must be shown on the shipping document.

22. TOOLING – SAFRAN OWNED TOOLING

The supplier shall be responsible for proper handling, storage, maintenance, and usage of the tools provided by SAFRAN. Any tool provided by SAFRAN that is lost, damaged, or is otherwise unsuitable for use (including expired calibration date) shall be recorded and reported to SAFRAN immediately. The tools provided by SAFRAN shall be returned upon completion of the Purchase Order if requested by SAFRAN.

23. PACKAGING REQUIREMENTS

1. INDIVIDUAL UNIT PACKAGING - Material is to be packaged in individual containers and the container shall be marked with supplier's part number and, if any, the applicable SAFRAN part number.
2. O-RINGS - O-rings shall be individually packaged and no substitution of the parts allowed without SAFRAN written approval. The individual packaging must be marked with the manufacturer's part number, material specification number and revision level, manufacturer's name, quarter and year of manufacture/cure date, manufacturer's batch number, seller's name, and shelf-life (or expiration date). No foreign material is allowed on O-rings, i.e., powder or lubricant. Material against this Purchase Order shall be packaged in accordance with SAE ARP-5316.
3. HAZARDOUS MATERIAL AND EXPLOSIVES - Suppliers shall provide Material Safety Data Sheets (MSDS) and Product Data Sheets (if available) for hazardous materials with each shipment. For explosive materials, the following documents shall be provided:
 - a) Material Safety Data Sheets (MSDS)
 - b) Competent Authority Approval documentation or DOD Interim Hazardous Classification, if applicable, or;
 - c) Explosives in a pipe bomb (w/DOT exemption)

24. VERIFICATION OF SUPPLIER PRODUCED ARTICLES

Unless otherwise specified by SAFRAN, supplier will verify/inspect articles produced per its own inspection plan. This plan must be compliant with the QMS standard specified in Control of Quality clause on this order.

25. SUPPLIER FLOW DOWN REQUIREMENTS

The supplier must flow down all SAFRAN and customer requirements specified on this order to all sub-tier suppliers.

26. COMMERCIAL REQUIREMENTS

ACCEPTANCE - The terms of this purchase order exclusively represent the entire agreement between the seller and the buyer. The express terms of this agreement supersede any course of dealing or usage of trade.

SCHEDULE OF PERFORMANCE - Time is of the essence in the performance the purchase order. Remedies for breached delivery schedule are specified in the remedies clause and shall also include equitable downward adjustment in price, liability of the seller for premium shipping costs and recovery by the buyer of expenses related to necessary work around while items are not available. Seller is liable for shipping and inspection costs for any delivered lots in excess of the contractually scheduled number.

NOTICE OF DELAY - Seller shall immediately notify buyer and explain any circumstances, including labor dispute, which may delay the timely performance of the P.O.

QUANTITY - Buyer need not accept any over shipments or shortages, except as authorized herein, regardless of usage of trade or sellers' standard practices.