

Kodiak Aerospace Quality Clauses (Rev-008)

The identified flow down clauses apply for the following vendor types:

Level 1 Clauses are applicable unless Purchase Order states otherwise.

Level 1 Clauses

Raw Material: 1, 2, 3, 3a, 4, 5, 5a, 6, 10, 11, 12, 14, 16, 19, 21,29,30,31,32

Finishing Vendors: 2, 3, 3a, 4, 5, 5a, 6, 7, 8, 10, 11, 12, 16,29,30,31,32

Hardware: 2, 3, 3a, 4, 5a, 6, 10, 11, 12, 13, 16,29,30,31,32

Outside Machining: 2, 3, 3a, 4, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 14, 16, 22, 25,29,30,31,32

Service Providers: 2, 3, 3a, 4, 5, 5a, 10, 11, 12, 14, 16,29,30,31,32,33

Level 2 Clauses

Raw Material: 1, 2, 3, 3a, 4, 5, 5a, 6, 10, 11, 12, 14, 16, 19, 21,29,30,31,32

Outside Processing: 1, 2, 3, 3a, 4, 5, 5a, 6, 7, 8, 10, 11, 12, 14, 16, 18, 19, 21, 27,29,30,31,32

Hardware: 1, 2, 3, 3a, 4, 5, 5a, 6, 10, 11, 12, 13, 16,29,30,31,32

Service Providers: 2, 3, 3a, 4, 5, 5a, 10, 11, 12, 14, 16,29,30,31,32,33

Outside Machining: 1, 2, 3, 3a, 4, 5, 5a, 6, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27,29,30,31,32

Kodiak Motorsports Inc. has several subsidiaries operating under the names of Kodiak Aerospace, and Kodiak Motorsports Inc. Hereafter the name "KODIAK" refers to all subsidiaries.

LINES 17-27 APPLY ONLY IF SPECIFICALLY CALLED OUT ON THE PO.

1. **CERTIFICATIONS:** Supplier shall provide a "Certification of Compliance" that material and/or articles meet all provisions of this Purchase Order. Certifications must accompany each production release delivered against this purchase order and must contain as a minimum the following:
 - Purchase Order Number.
 - Part number (must include the part's drawing number).
 - A statement that the material conforms to the applicable specifications.
 - A statement that conformance test reports and/or inspection records are on file, subject to examination at your facility or at the point of manufacture.
 - Signature of authorized agent, and title.
2. **INSPECTION SYSTEM:** Unless otherwise specified on the face of this purchase order, the Supplier shall have an adequate inspection system for maintaining control of materials/products fabricated/manufactured in their facility. Calibration procedures must be traceable, at a minimum, to NIST. Supplier's inspection system may be periodically audited by KODIAK personnel and/or by its customers.
3. **DELIVERABLE ITEMS:** Articles or materials shall be manufactured or produced in accordance with applicable blueprints and/or specifications. Deviations may be made only by written amendment to the purchase order when authorized by KODIAK's Material Review board. Existing deviated material may only be shipped after receiving written authorization from KODIAK. A copy of the authorization must be attached to the shipment.
 - a. Supplier must notify KODIAK of any deviated or non-conforming material within 24 hours regardless of cause or perceived effect on shipment.
4. **ESCAPEMENT NOTIFICATION:** Supplier shall notify KODIAK within 48 hours in writing of any nonconforming product when detected after delivery, including the Kodiak Aerospace PO and any applicable lot or batch numbers.
5. **APPROVED FACILITIES:** It is the Supplier's responsibility to utilize only approved facilities for processing (such as Magnetic, X-ray or Zyglo Inspection, heat treating, plating, anodizing, etc.) used in performance of work relating to this order. Work performed by non-approved facilities is subject to rejection. See clause #26 for additional details.
 - a. The Supplier MAY NOT outsource activities which KODIAK has contracted it for without prior written approval from KODIAK. If approval is given to outsource, supplier must flow down all customer requirements including Purchase Order terms, KODIAK drawings, special requirements, etc.
6. **PRESERVATION AND PACKAGING REQUIREMENTS:** Unless otherwise specified, the Supplier shall maintain controls to assure the accomplishment of preservation, packaging, and shipping requirements of this order. The use of best commercial practices shall not relieve the Supplier of responsibility for packaging in a manner that will ensure receipt at KODIAK in an acceptable condition.
7. **KODIAK AEROSPACE FURNISHED MATERIALS FOR SPECIAL PROCESSES:** Unless otherwise specified, all materials furnished for special processing shall not be under-shipped. Rejected materials shall be identified and segregated from acceptable materials. Rejected materials shall be returned to KODIAK for disposition.
8. **KODIAK AEROSPACE FURNISHED MATERIALS:** Unless otherwise specified, materials furnished to Supplier's shall be used in the manufacture of articles specified in this order. The Vendor shall notify Kodiak of all Non-conforming materials for disposition. Material scrapped in excess of allowable tolerance, shall be (at KODIAK's option) replaced by vendor or purchased from KODIAK at its cost plus any special charges.
9. **KODIAK AEROSPACE FURNISHED TOOLING/EQUIPMENT:** Unless otherwise specified, all tooling and equipment furnished for this order shall be maintained in good condition and used for the manufacture of articles for KODIAK AEROSPACE. Tooling/equipment shall be available for examination by KODIAK's personnel and/or returned to KODIAK upon request or termination of this order. Supplier is responsible for timely calibration of all such tools.
10. **RECORDS:** Supplier shall maintain all manufacturing, inspection and test records for at least minimum of (10) years after the date of shipment to KODIAK. These records must be legible, readily identifiable, easily retrievable and stored in a manner to protect them from any potential damage. Supplier shall also establish the means to disposition any non-conforming records. KODIAK will have the right of access by the organization, their customer, and regulatory authorities to all facilities involved in the order and to all applicable records at any level of the supply chain.(8.4.3.i)
11. **CHANGE CONTROL:** KODIAK must be notified of any changes that affect an approved part or process or service, prior to the implementation of the change.

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12. **CHANGE OF OWNERSHIP, LOCATION AND/OR QUALITY SYSTEM:** Supplier shall notify KODIAK in writing, if there is a change of ownership, location and/or quality system. This notification should be given as early as possible, before the changes are implemented.
13. **MATERIAL CONTROL:** Supplier shall furnish the shelf life of material and current expiration date of shipment lot/batch on the material certification. All material supplied to KODIAK must have, at least, 75% of shelf life remaining.
14. **SUPPLIER QUALITY PROGRAM:** Supplier shall have an established Quality program or Inspection system, whose procedures are in accordance or compliant with any of the following:
 - A. ISO 9001/AS 9100, Nadcap, or other ISO approved quality systems.
 - B. Calibration suppliers must be certified to ISO 17025 as a minimum.
15. **SUPPLIER FIRST ARTICLE:** Supplier shall perform First Article Inspection (FAI) per the requirements of KODIAK as it pertains to "Purchased Parts". An FAI report is to accompany the first shipment of parts. When specified on Purchase Order, supplier shall be responsible to furnish FAI report per AS9102 requirement. FAI reports must meet one of the following requirements:
 - a. For new or first time production parts, built in accordance to KODIAK drawings, complete FAIR must be submitted. This requirement also applies, if new manufacturing tools are used for producing the parts.
 - b. Delta FAI report must be changes to confirm adherence to KODIAK drawing revision changes.
16. **SPECIFICATION AND REVISION OF PROCESSES AND MATERIALS:** If process, material or finish specification is provided on KODIAK purchase order, supplier shall use the most current revision of that specification if the revision status, number or letter is not provided.
17. **JOINT FIRST ARTICLE VERIFICATION AT SOURCE:** FAI of part shall be accomplished at supplier's facility with the presence of a KODIAK source inspector. Notification shall be made per item 17.
18. **KODIAK AEROSPACE SOURCE INSPECTION REQUIRED:** Supplier shall request KODIAK Source Inspection for product verification prior to shipment from its facility. Acceptance of units shall not relieve the supplier of the responsibility for manufacturing units as defined in this purchase order. Advance notice of 48 hours shall be required for scheduling purposes.
19. **GOVERNMENT INSPECTION AT SOURCE:** Government inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government inspection can be accomplished. On receipt of this order, promptly furnish a copy to the Government Representative who normally services your plant or, if none, to the nearest Army, Navy, Air Force, or Defense Supply Agency inspection office. In the event the representative or office cannot be located, our purchasing agent should be notified immediately.
20. **GOVERNMENT INSPECTION AT DESTINATION:** Material subject to Government Inspection at KODIAK.
21. **KODIAK AEROSPACE CUSTOMER SOURCE INSPECTION:** Request shall be made per item #17.
22. **TEST REPORTS:** Test reports shall be submitted containing the results of tests with indicated conformance to applicable specifications. These reports must be identifiable with the materials furnished. KODIAK Purchase Order number must be typed on all copies.
 - A. Chemical Test Report as noted.
 - B. Physical Test Report as noted.
 - C. Functional Test Report as noted.
 - D. **TEST COUPONS:** Test coupons representing product type, thickness, finish, etc. as per Purchase Order shall be forwarded to KODIAK with each shipment, as requested.
23. **TOOLING PROCUREMENT:** Title to all tooling covered by this order shall be the property of KODIAK (free of all liens, and encumbrances) upon acceptance by KODIAK Tool inspector and/or acceptance by tool try. Unless otherwise specified:
 - The supplier shall permanently identify each tool subject to this order with KODIAK AEROSPACE part number, tool number, date of manufacture, and the unit number.
The unit number shall be organized by the Supplier. (Example: Unit 1 of 5, 2 of 5, etc.).
 - The supplier shall provide a certified tool list that contains a description of each tool, and information specified above.
 - All tooling manufactured for this order that is used in the suppliers' facility for manufacture of article, shall be the responsibility of the supplier for maintenance and storage. Tooling shall be the property of and exclusive use of KODIAK, and subject to examination.
24. **KODIAK AEROSPACE TOOL SOURCE INSPECTION REQUIRED:** Inspection of tooling shall be accomplished by KODIAK Inspection personnel at intervals of fabrication and/or completion of work prior to shipment to KODIAK. Acceptance is subject to compliance of design requirements and/or tool try acceptance. Request for source inspection shall be made according to item 17.
25. **REGISTERED COMPONENTS/PARTS PLAN:** Supplier is required to submit in detail the critical method and processes that will be used in the manufacture/fabrication of the component or part specified in this purchase order. The plan must be submitted to KODIAK for analysis and acceptance prior to beginning production on this order. The plan shall contain the following information:
 - a) The methods and the type of critical processing to be used (subject to limitations imposed because of propriety information).
 - b) The location within the processing cycle where inspections will take place.
 - c) The attributes of the product, which will be inspected at each inspection point.
 - d) The materials and methods of preservation and packaging to be used to protect the product.
 - e) The handing and transportation precautions necessary to protect the product.
26. Revisions or variations to any of the above listed controls shall not take place until KODIAK has accepted the revision.

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27. **STATISTICAL PROCESS CONTROL SYSTEM:** If specified on the face of this purchase order, the Supplier shall have an adequate statistical process control (SPC) system for maintaining acceptable Cp and Cpk levels on specific "Key Characteristics" of its products. Supplier's SPC system may be periodically audited by KODIAK personnel and/or by its customers.
28. **PRODUCTION SAMPLES:** Supplier shall provide samples with each lot/batch of materials/components, as requested.
29. Kodiak Motorsports expects quality product delivered on-time. We will monitor our suppliers performance versus the following goals annually: (AS9100D 8.4.3)
 - a. Quality – reject rate not to exceed .5% by volume.
 - b. Delivery – greater or equal to 98% on-time by volume. Special provisions will be accepted for custom made products/services supplied to Kodiak Motorsports. "On –Time" will be measured as delivered on or before our PO due date.
30. Seller shall ensure persons involved in product or service are aware of their contribution to conformity, their contribution to product safety and the importance of ethical behavior. (Ref. AS9100D 8.4.3m)
31. The Seller shall prevent the use of Counterfeit Products/Parts - Every, and all attempt will be made to remove the possibility of counterfeit products/parts from the Supply chain. In the event that suspect counterfeit products are discovered the following procedure will take place.

If counterfeit material is received the material will be immediately quarantined and the customer will be notified immediately. The material will be wrapped, tagged, and removed from the normal production area. Kodiak will defer to the customer as to disposition processes.

If counterfeit products are discovered after the Work Order has been created the job will be stopped immediately. All materials will be quarantined. The customer will be notified immediately all items with regards to that order will be pulled from the production floor. Kodiak will defer to the customer as to disposition process.

In the event that the customer knows the materials or products are counterfeit and requests that they be returned for their use, Kodiak will render all such materials/products un-usable before returning to the customer. (AS9100 D 8.7)

32. Seller shall work to the most current revision of specifications, and applicable process specification departures, noted upon the purchase order.
33. Providers of Calibration Services shall provide completed certs with each delivery.

- a. **Note:** All samples must consist of original parent material to be supplied, complete with all required design coatings. All samples must be processed through all process stages along with the lot/batch of production materials that samples represent. Certification of Compliance/Conformance must state that samples are representative of production materials/components and were processed through all production processes with the lot/batch of production material.