Preface

United Precision Products (UPP) views Suppliers as vital members of its team. It is essential to work together to provide customers with products that meet their expectations and standards. Our mutual success is dependent on satisfied customers. The purpose of this Supplier Manual is to provide UPP's Suppliers:

- ✓ standards for quality, delivery, and service;
- ✓ procedures for working with UPP's;
- ✓ procedures for working with UPP's Purchasing and Supplier Development
- ✓ requirements necessary to meet UPP's customers' requirements

UPP's internal procedures support this manual.

Suppliers should ensure they are working with the most current version of this manual. It is the responsibility of each Supplier to review, understand, and conform to all requirements in this manual that are applicable to the product or service supplied to UPP.

Policies

UPP's business is guided by our Quality Policy and the guiding principles set out below:

Quality Policy

UPP is committed to meeting Customers' requirements for quality and delivery, by fostering the engagement of our Employees and improvement of our Quality Management System.

Guiding Principles

- ✓ Make high quality products, stop production to investigate and eliminate problems
- ✓ Discipline is key to achieving our goals and objectives
- ✓ Attract, train and work with excellent people, and motivate our people to perform well
- ✓ Perform as a team every day, challenge and encourage each other. Challenges make us better, pursue true north
- ✓ Outside the box thinking
- ✓ The Golden Rule – respect each other
- ✓ Leadership has the responsibility to mentor these guiding principles everyday

Code of Conduct

Our Quality Policy and guiding principles are aligned and serve as the base for UPP's Code of Conduct for Directors, Officers and Employees.

The Code of Conduct requires that we:

- ✓ Act honestly and ethically complying with all applicable laws, rules and regulations
- ✓ Not use confidential information acquired during our role with the company
- ✓ Avoid conflicts of interest
- ✓ Promptly and accurately provide all information to allow the company to comply with its public disclosure obligations
- ✓ Report known violations of the Code and not permit retaliation of any kind for reporting violations

Working Conditions requires that we:

- ✓ Not use child or forced labor
- ✓ Promote our employees' material well-being by providing competitive compensation and benefits that comply with applicable laws
- ✓ Comply with applicable laws regulating hours of work
- ✓ Not discriminate on the basis of gender, race, color, creed, religion, age, national origin, sexual orientation, gender identity, disability or veteran status
- ✓ Maintain a healthy and safe work environment
- ✓ Do not accept or offer illegal payments, bribes, kickbacks or other things to secure work or influence business decisions

Further to the above, under UPP's Quality Policy we are dedicated to maintaining a Quality Culture with:

- ✓ Continuous improvement

- ✓ Using proactive performance measures
- ✓ Leading process innovations
- ✓ Team based problem solving
- ✓ Utilizing documented systems
- ✓ Rewarding employee involvement
- ✓ Meeting customer expectations

The above guide our business relationships with our Suppliers and UPP's Suppliers are expected to conduct their business in minimum compliance with all of the above. UPP reserves the right to audit the Supplier's compliance. The Supplier is also required to comply with UPP's Purchase Order Terms and Conditions.

TABLE OF CONTENTS

1.0 Purpose

This agreement defines the technical and organizational framework and which are required to achieve the desired quality targets. The objective is the avoidance of quality problems and the safekeeping of processes between UPP and each Supplier.

Requirements from relevant standards remain unaffected by this procedure e.g.: ISO 9001 AND AS 9100 and related documents, Customer Specific Requirements (CSR`s)

2.0 Scope

The terms and conditions of this agreement shall apply to any existing and future purchase agreements. This manual is in addition to UPP's Purchase Order Terms and conditions, requirements stated on drawings or specifications, and other regulatory requirements.

All deliveries made by the Supplier shall be subject to UPP's General Purchasing Terms and Conditions ("T&C").

The Supplier shall ensure that its sub-Suppliers take the necessary measures in order to meet the obligations that have been assumed by the Supplier.

The UPP Supplier Requirements Manual applies to all external Suppliers and subcontractors who supply products and services such as:

- ✓ Production material
- ✓ Production parts
- ✓ Outside processing such as heat treating, e-coating, plating, etc.

This manual will assist the Supplier to meet the terms and conditions of UPP's purchase orders as well as the product drawings, specifications, Quality Management System (QMS), Policies, and procedures including all relevant Customer specific Requirements (CSR).

3.0 Supplier Selection and Qualification

3.1 Approved Supplier Lists are managed by UPP. Suppliers must be added to the Approved Supplier List prior to sourcing.

UPP selects Suppliers based on the following criteria:

Suppliers must operate their quality in conformance to the most current revisions of ISO 9001 and AS 9100 or as contractually agreed upon, at a minimum they are to be ISO 9001 third party certified unless otherwise specified by our customers. Testing facilities shall be certified to ISO/IEC 17025.

- ✓ Approved by Senior Management when not ISO 9001 certified at a minimum.
- ✓ Certification to ISO 9001 through third-party audits: unless otherwise specified by the customer, suppliers to the organization shall demonstrate conformity to ISO 9001 by maintaining a third-party certification.
- ✓ Certification to AS 9100 by maintaining a third-party certification.

- ✓ Supplier Experience: Suppliers must demonstrate their expertise through the qualifications of personnel, equipment, and engineering.
    - Supplier Performance: Suppliers must show that they have a superior track record of providing quality products or services on time and to schedule, and demonstrate the highest level of customer service.

As noted above, the quality management system (QMS) shall be in accordance with the current version of ISO 9001 AND AS 9100 or alternatively ISO 9001. A process for ensuring the integrity and quality of any product, shall be utilized to ensure customer satisfaction and any legal statutory and regulatory requirements, as applicable. The Supplier must also show due diligence relative to conformance of special process requirements identified by the customer (such as NADCAP requirements, CSR requirements, etc.) in its adherence to the standards.
UPP's purchasing and Supplier Development personnel reserve the right to visit prospective Suppliers to establish their qualifications, experience, financial fitness, and performance prior to selection. UPP's personnel will work with the prospective Supplier to assess the Supplier's financial resources. Prospective Suppliers that meet all of the selection criteria may be added to the approved Supplier list.

3.2 Supplier
Qualification UPP requires that all Suppliers be third party registered to ISO 9001 (at a minimum unless approved by senior management) and conform to ISO 9001 AND AS 9100, including all Customer Specific Requirements. Registered Suppliers are required to submit copies of all certificates and renewals to UPP's purchasing personnel. Suppliers are also required to notify UPP's purchasing personnel if certification is lost or the Supplier is placed on containment/suspension.

3.3 Calibration and Certification: All measurement devices shall be calibrated in conformance with ISO 9001 AND AS 9100, AIAG, and OEM guidelines. At a minimum, all gages and measurement devices shall be certified annually. The Supplier's calibration program must ensure the accuracy, repeatability and reproducibility of all instruments and inspection apparatus identified in Control Plans. Maintenance and repair of all UPP supplied gages and measurement devices are the responsibility of the Supplier. UPP may periodically inspect the condition of gages and measurement devices. Shortcomings that are not promptly corrected shall be addressed through the applicable UPP Purchasing Department. UPP reserves the right to correct any shortcoming and debit the Supplier the costs. This will be reflected on the Cost Recover Worksheet.

4.0 Customer Service
Information flow between UPP's and their Suppliers is vital to success. It is therefore imperative for all Suppliers to communicate to UPP staff in an accurate, professional, and timely manner and Suppliers need to ensure that they acknowledge, understand, and take proper actions. Follow through is vital. UPP uses English as the primary language of communication, and expects Suppliers to comply with this mode of communication.

4.1 Points of Contact Suppliers shall inform UPP personnel promptly of changes in their points of contact for senior management, materials, quality, and other personnel. A point of contact for off-shifts and weekends is mandatory. Cell phones are acceptable but please ensure that the cell phones are in coverage and turned on during these periods. UPP will also provide Suppliers with points of contact for regular, after hours, and weekends.

5.0 Procedure / Responsibilities
5.1 Supplier Responsibilities, UPP purchases material and services only through approved Suppliers. The approval of new Suppliers is made by UPP using the following steps:
1. UPP sends a copy of the UPP Supplier Survey. The Supplier completes and submits the survey including relevant documentation and certificates to UPP. Submitted documents will be checked by UPP personnel.
2. UPP has implemented a quality management system according to ISO 9001 AND AS 9100 and is certified accordingly. Therefore, Suppliers to UPP need to follow the requirements of this international standard and if necessary, implement these standards within their organization. The Supplier is obligated to the zero-defect-target and will constantly aim for continual improvement of their performance.

3. If necessary, an onsite audit may be performed depending on the result of the self-assessment, the certification status and the complexity of the product / service.
4. UPP decides on the approval taking the self-assessment and audit results into consideration.
5. Subject to a positive result the Supplier will be entered into the list of approved Suppliers maintained by each individual UPP division.

In the following scenarios, UPP will review the existing approval or if necessary, initiate the approval process:

- ✓ Relocation of the Supplier's production
- ✓ New products
- ✓ Reoccurrence of quality concerns
- ✓ Revocation of the QMS certificate
- ✓ A degradation in suppliers' financial situation and/or level of services and support

Note: Alternatively, the Supplier selection can result from a customer's mandated selection. (Directed Buy Supplier)

6.0 APQP (this section when required by CSR)
APQP and PPAP Suppliers shall conduct APQP and PPAP in conformance to ISO 9001 AND AS 9100 and the CSR processes as part of their contractual relationship with UPP. These activities are required to develop robust processes and validate product to UPP and its customer's standards where applicable.

6.1 Advanced Product Quality Planning during product launches, it is mandatory for the Supplier to establish a Quality Planning Team within their organizations using a multi-disciplinary approach. Team members shall include personnel from departments such as engineering, quality, materials, manufacturing, or any other department deemed necessary. Upon request, the Supplier is required to join and support the advanced quality planning meetings and activities at UPP business or its customer's location.
Participation by the Supplier in Advanced Product Quality Planning is vital to the success of all new business and engineering change launches at UPP. UPP expects all Suppliers to meet all program milestones.

6.2 PPAP, unless otherwise directed by UPP Quality Department in writing, the PPAP submission level to UPP is level 3 as per CSR requirements.
The Supplier is required to submit initial samples from the production process to UPP for approval prior to production. PPAP submission and part layout will be at the cost of the Supplier and per CSR requirements. All agreed and requested results as well as capabilities are included into the inspection scope. The Supplier is responsible for correct fulfillment and control of initial sampling. With UPP's approval, inspection could be restricted to dimensional, functional or material inspection.
Unless otherwise specified by the Quality, PPAP samples shall be randomly selected from the production run to be agreed upon between the Supplier and UPP. These parts shall be manufactured at the production site using the tooling, gauging, process, materials and operators from the regular production environment. An approved Master Sample from this production run will be retained at the Supplier's location for future reference, as per UPP's CSR's.
The Supplier is required to notify UPP in advance, submit a formal PPAP and obtain full approval from UPP quality department under the following circumstances:

- ✓ Implementing a new part or process
- ✓ Correction of a discrepancy on a previously submitted part, products or processes are modified by an engineering change (design, specifications, or materials)
- ✓ Using optional construction or material (not previously submitted)
- ✓ Significant change in current process occurs
- ✓ Change in manufacturing location occurs
- ✓ Change of sub-contractors occurs
- ✓ Reactivating of tooling which has been inactive for over 12 months
- ✓ Changing in test or inspection method
- ✓ As requested by UPP

- ✓ Adoption of new production equipment
- ✓ Internal production transfer
- ✓ Deterioration of quality
- ✓ Sub-Supplier or Material Source Change (Spec variation)

Note: All inspection and testing for PPAP shall be performed by a qualified laboratory. Independent accredited test laboratories shall be used if the Supplier's in-house test laboratory does not qualify.

Upon receipt of PPAP submissions, the UPP Quality Department will review the PPAP for approval. Feedback will be provided to the Supplier within a reasonable time frame. One of the following conditions shall apply:

- ✓ FULL APPROVAL indicates that the documentation, part, capabilities and all applicable material meet all specifications and requirements and production is authorized. The supplier is responsible for the accuracy and completeness of the entire PPAP package.
- ✓ INTERIM APPROVAL indicates minor non-conformities have been found and action and timing plans submitted and only limited time or quantity production is authorized. Resubmission is required to obtain full approval.
- ✓ REJECTED means that the submission does not meet the specifications and/or requirements. Neither mass nor limited production is permitted. Resubmission is required to obtain an approval status. Rejected submissions could result in financial penalties.

Note: Suppliers are responsible for PPAP documentation and approval record retention.

6.3 Layout Inspection/ Functional Test/ Validation
All layout inspection and functional testing activities are carried out per control plans at a frequency approved by UPP. If discrepancies are found, the Supplier is responsible for informing UPP. An action plan with interim containment and timing to resolve the discrepancies is required.

6.4 Special Characteristics During APQP, all process control and similar documents (Process Flow Charts, PFMEA, control plans, operator instructions etc.) will be marked with the customer special characteristic symbols as detailed in drawings and specifications. Capability studies must be performed per CSR's.

6.5 Maintaining Process control, the examination and assessment of machine and process capability shall be based on the statistically valid methods. The MSA study performed on process capability characteristics must not exceed 10% error for Special Characteristics and a minimum ndc of at least 5. See customer specific requirements.

7.0 Engineering

7.1 Interpretation of Product Technical Information, it is the Supplier's responsibility to review and understand all product technical information and provide UPP with materials and products that meet all specifications. This includes all engineering, quality, packaging and delivery requirements. The Supplier is required to ensure that all necessary information is received for the supplied product during Quality Planning (APQP) activities. When ambiguities, conflicting information, or subjective matters are encountered, the Supplier is responsible for sending formal requests to UPP for clarification in writing.

8.0 Supplier Performance & Development

8.1 Quality Performance, Supplier quality performance is measured by the number of written concerns, Parts per Million (PPM) & On-Time Delivery (OTD). UPP reports Supplier performance to UPP Senior Management at Management Review for the purpose of determining Supplier Performance. The goal for UPP Suppliers is zero written concerns, zero PPM and 100% on-time delivery.

8.2 Delivery Performance, Supplier delivery performance is measured by the number of on-time shipments without discrepancies.

8.3 Supplier Status, Suppliers may request their status from Purchasing. Quality rates Suppliers based on performance into three different categories:

- ✓ Approved: These suppliers are considered strategic/preferred to UPP and should always be included in RFQ's that fall within their capability
- ✓ Conditional: These suppliers are underperforming suppliers and non-strategic suppliers still shipping products to UPP and restricts them from being sourced with any new business. These suppliers are permitted to participate in active RFQ's.
- ✓ Disapproved: Have been determined to be non-strategic or a threat or risk to UPP, and as such they are not permitted to be sourced or issued RFQ's.

UPP Quality & Purchasing initially rates all Suppliers based on quality and delivery performance. The ratings may be adjusted either up or down based on other factors and issues. Examples of favorable factors that would improve a rating include prompt corrective actions, solid quality systems, and state-of-the-art materials and labeling systems. Examples of unfavorable factors include slow corrective actions, poor quality systems, quality systems not registered to AS 9100, and overdue or incomplete documentation/records.

8.4 Supplier Auditing, UPP may audit the Supplier's processes based on the following reasons or based on priorities when required by customers:

- ✓ admission of a new Supplier
- ✓ supply with new goods or services
- ✓ detection of poor quality
- ✓ relocation of the Supplier's manufacturing site
- ✓ change of the Supplier's production processes
- ✓ negative performance measurement trend

9.0 Nonconforming Material

9.1 Nonconforming Material, discrepant material is any material known or suspected to be nonconforming to specifications. Violations will be reflected on the Supplier Performance Evaluation and any costs will be reflected on the Debit Memo provided UPP.
Suppliers shall proactively notify UPP if they suspect that UPP may receive (or has received) Nonconforming material. UPP Supplier quality personnel will work with the Supplier to identify sorting or other activities needed to protect UPP and the customer. In doing so, the Supplier's scoring will not be negatively impacted (no demerits will be assessed).

9.2 Supplier Non-Conformance Report (SNCR), The Supplier Non-Conformance Report (SNCR) is UPP's formal notification to a Supplier that discrepant material has been found at UPP. The SNCR will give details of the part, a description of the discrepancy, applicable photographs of the discrepancy, lot # and suspect quantity, containment and corrective action requirements etc. In some cases, the material may be returned to the Supplier for rework, a Return Material Authorization number (RMA) is required; if the Supplier does not have an RMA procedure, the name of the person authorizing the return at the Supplier's location will be noted on the notification.
UPP will initially notify a Supplier upon identification of discrepant material. The initial notification will be followed with formal notification in the form of a Supplier Non-Conformance Report (SNCR) within 24 hours of the occurrence. The Supplier is responsible for providing an initial response with-in 24 hours of issuance of the SNCR, Root Cause response within 7 business days of issuance, Corrective Action response within 14 business days and validation and verification completed and evidence of such actions and implementation supplied to UPP Quality within 15 business days of issuance. Certifying of parts at a UPP is not acceptable unless it is approved by Quality and necessary to meet customer delivery schedules.

9.3 Cost Recovery Process, Supplier shall bear all costs associated with the nonconforming material costs. Examples are, but not limited to the following:

- ✓ Rework
- ✓ Down Time at UPP customer
- ✓ Customer returns and charge backs
- ✓ Premium freight
- ✓ Travel costs incurred by UPP personnel
- ✓ Sorting of suspect parts at the UPP or by a third party
- ✓ Lab testing and/or verification
- ✓ And any other pertinent costs

The Cost Recovery Form is the formal document to recover costs incurred as noted above. The Cost Recovery Form will detail the cost breakdown for each occurrence reported through a SNCR.
NOTE: Charges incurred from UPP's customer as a result of a supplied product or service will be charged to the supplier. Should UPP be issued a Customer Complaint from its customer related to a component or component interface being provided by an UPP Supplier, UPP reserves the right to debit the Supplier for the associated costs.

10.0 Corrective and Preventive Actions

10.1 Corrective Actions, it is the Supplier's responsibility to take the necessary corrective actions to resolve quality problems. The Supplier is required to use acceptable problem-solving methods such as 5 why analysis, Fishbone Diagram, Histogram, Pareto Analysis, 8-D, etc. to investigate the root cause of problems and implement countermeasures to eliminate them.
Corrective action reports must address the root cause for the occurrence and failure of the quality system. UPP's quality personnel will work with Suppliers to help address root causes and implement permanent corrective actions. Suppliers are encouraged to use mistake-proofing methodologies in their corrective actions.
Where applicable, countermeasures for one particular problem shall be implemented on other similar processes and products to eliminate the reoccurrence of the problem. All corrective actions should be verified periodically to make sure that they remain effective

10.2 Corrective Action Report (CAR) Format, UPP may request formal Corrective Action Reports (CARs) from a Supplier. Normally, a Supplier may use their format for CARs. However, UPP may direct the Supplier to use the UPP format or an CSR format.

10.3 CAR Standards, A CAR will be written using a team approach and in a clear and concise way showing root causes, and corrective actions. Back up information showing a root cause was determined must be attached to the CAR. Where applicable, the root cause should be implemented and tested then removed and tested as proof that the actual root cause and corrective action are identified.

10.4 Nonconforming Material, the Supplier is required to adequately contain all products that fail to meet specified requirements.

10.5 Counterfeit Material, the Supplier must have a program for monitoring counterfeit materials to prevent counterfeit materials from entering into the supply chain. If counterfeit materials are discovered and may have been shipped to UPP, The Supplier must notify UPP of the incident as soon as possible but not exceed 24 hours of discovery.

11.0 Supplier Controlled Shipping Requirements

When a Supplier's corrective actions are not sufficient to contain and protect UPP from Nonconforming Material, UPP may require the Supplier to implement controls to certify material before shipment to UPP.

12.0 Repair and Deviation Control

12.1 Repair, repair is work done outside of the approved process to correct discrepancies and do not meet the original blueprint and/or specifications. Any repair activities performed by the Supplier requires written approval from a cross functional team of UPP and its customer. The Supplier is responsible for initiating written repair requests that include, at a minimum, the following:

- ✓ Part information
- ✓ Nature and cause of repair
- ✓ Repair method including operator instructions
- ✓ Quantity
- ✓ Identification of reworked part
- ✓ Corrective actions with dates of implementation to avoid future occurrences

Under no circumstances shall a Supplier repair and ship to UPP or its customers' location without obtaining written authorization. Any repaired parts shipped without written authorization will be rejected and returned to the Supplier at their expense. Any additional costs incurred by UPP will be charged to the Supplier.

12.2 Deviations, Suppliers shall request approval for deviation from specifications or drawing requirements in writing to the UPP Quality Department. All requests must be made through the UPP Quality Department. Deviations must always be requested prior to shipping product. The Supplier is responsible for initiating the request for a Deviation that includes, at a minimum, the following:

- ✓ Part information
- ✓ Detailed description of deviation
- ✓ Quantity of product that will be produced under deviation
- ✓ Corrective actions to be implemented and timing for implementation
- ✓ Method of identification of deviated parts

Under no circumstances shall the Supplier ship discrepant parts to UPP or OEM location without obtaining a signed deviation. Any parts shipped without written authorization may be rejected and returned to the Supplier at the Supplier's expense. UPP reserves the right to cancel any deviation at any time for any reason. Any additional costs incurred by UPP will be charged to the Supplier.

13.0 Materials

13.1 Consigned Materials, it is the Supplier's responsibility to notify UPP immediately if any material on consignment is rejected. UPP Materials and Purchasing Department staff shall be informed of all details of the shipment so that a decision can be made for the disposition and re-ordering of such material.
UPP may, at any time, request or conduct inventories of material consigned to the Supplier. Consigned material shortages, losses or quality issues shall be the responsibility of the Supplier unless a Returned Material Authorization is obtained from UPP Quality Department.
The Purchasing Department must be informed upon receipt of any shipments of steel or components, or other product purchased by UPP unless waived, packing slips for such shipments shall be faxed to UPP within 24 hours of delivery.
Suppliers are encouraged to use the RMA (Returned Material Authorization) system to track rejected material. In the case where customer resale material is involved, (i.e. steel resale), the applicable resale processes must be followed.

13.2 Traceability, for steel, fastener, and component Suppliers, all shipments to UPP are required to have proper labels for identification and traceability.
As a minimum, the following information must be present on each label:

- ✓ Supplier Identification
- ✓ Product Identification Number
- ✓ Lot Number
- ✓ Quantity

- ✓ Date of Manufacture/process
- ✓ Date of Shipment
- ✓ Heat Number (coil steels)-must use UPP label where provided
- ✓ Traceability requirements must be included for all materials and components
- ✓ Cavity / Tool traceability may also be required

13.3 Certification, it is the responsibility of the Supplier to provide, upon request, certification of product conformance to UPP for each lot of product shipped. Unless noted otherwise in purchase order, all raw materials supplied to UPP for manufacture (all raw metallic, resins, and chemicals) shall include a copy of the original material certificate or a material test report from an accredited laboratory. The Supplier is required to retain a copy of all certification for traceability through the lot numbers on the shipping labels.

The Supplier may send the certification by email, along with each shipment or, if agreed to by UPP, keep them on file. All certifications shall be available for review upon UPP's request.

Certification may include information such as chemical composition, physical properties, dimensional measurements, statistical data, or test results, etc. Other information, such as Engineering Change Level, Original Mill Certification, or Raw Material Certification, etc., are to be retained by the Supplier and made available upon UPP's request. The material certificates may not be altered or include markings other than verification marks of physical and chemical values and/or indication of inspection acceptance. Product that has been heat treated must include physical or mechanical properties with heat treat batch lot numbers. All material must comply with Government requirements including country of origin and country where material is melted. Age sensitive material must include material certificates as well, along with expiration dates clearly noted on the certificate and the individual container(s) applicable.

For Suppliers who provide processing services, the original lot number from UPP shall be preserved. The Supplier can either retain the same label from UPP or transfer the lot number to a new tag. Detailed requirements are to be discussed with the UPP Quality Department. Details of specific requirements will be reviewed and approved the Quality Department.

13.4 Shelf Life, The Supplier is required, on a regular basis, to inform UPP Purchasing Department regarding spoilage. Information such as part number, operation number, quantity, and reason for spoilage are to be included. The UPP approval is required before disposal.

13.5 Product Packaging, Identification, and Delivery, the Supplier is responsible for providing adequate packaging of all supplied materials to prevent potential shipping and handling damages. All packaged products are required to be identified with proper labels on the containers for product identification and traceability. Further, ship packaging such as wood pallets must meet governmental regulations. Any changes to approved packaging / labelling should be re approved by UPP.

13.6 Shipments, unless waived by UPP Purchasing, the Supplier is required to keep UPP informed of shipment status in advance of each shipment. Each shipment must be accompanied by a packing slip, which contains the following information, as a minimum:

- ✓ Supplier Identification
- ✓ Product Identification (name and number)
- ✓ Lot Number
- ✓ Quantity
- ✓ Date of Shipment

Purchasing uses packing slips as proof of delivery. Information listed above is necessary for UPP staff to verify delivered products to the actual purchase orders. It is the responsibility of the Supplier to ensure that a packing slip is enclosed in each shipment. Failure to do so may cause delay of payments and/or an administrative charge.

13.6.1 Samples, sample parts sent by the supplier to UPP for evaluation must be individually tagged as "Sample Parts" to prevent unintended use. The container will be labeled, unless otherwise noted or required by UPP, indicating the special circumstances (i.e. FAIR, PPAPs, First Piece or Deviation requests) and shipped to the attention UPP Quality or another requester. Prior shipping notification and delivery date are required as with any shipment. The supplier shall contact UPP with any questions. It is essential this process be followed in order to avoid unapproved product from being shipped without approval.

13.7 Containerization, it is the responsibility of the Supplier to obtain all packaging and container requirements from the UPP Purchasing. Standard pack, packing method, container type, and number of containers shall be finalized during Quality Planning / APQP activities. Containers provided to Suppliers are the property of UPP. The intended use of the container is for storage and shipments of UPP work-in-process or finished products at Suppliers' locations. The Supplier is not permitted to use the containers for any other purposes such as packing work-in-process parts or storage of other products, which do not belong to UPP. The Supplier is responsible for conducting physical container count upon UPP's request. The Supplier is expected to return all excess containers to UPP. Any shortages of containers in the circulation system shall be reported to UPP Purchasing Department.

Note: It is the Supplier's responsibility to maintain containers

13.8 Delivery, the acceptable criterion for all shipments of products to UPP is 100% on-time delivery. The supplier performance will reflect the current status.

Transportation must be in compliance with the contractual agreement. In case of transportation managed by the Supplier, deliveries have to arrive at the UPP designated location at the previously agreed date and time and must contain the proper ordered quantity.

For deliveries managed by UPP, material shall be ready for pickup on-time and for the proper ordered quantity through UPP `s designated provider at the Supplier's ship point at the previously agreed date and time. In addition, packaging must meet agreed specification and requirements of transport.

13.9 Delivery Complaint, upon discovery of a delivery complaint UPP will contact the Supplier by phone or e-mail followed within 24 hours by a formal rejection notice, the corrective action form may be supplied by UPP or the Supplier may use an acceptable form determined by the business unit involved. Violations will be tracked and will be reflected on the Supplier performance rating.

13.10 Inventory Control, the Supplier shall maintain an inventory control system to track the quantities of raw material, in-process material, and shipments to UPP. The control system must be a first in first out process until otherwise agreed upon. Upon request, the Supplier is required to send such information to the UPP Purchasing.

UPP conducts physical inventory counts, the Supplier is expected to assist and physically verify the count of their in-house inventory. The Supplier should contact the UPP Purchasing for details on inventory procedures, reporting instructions, identification tags, logistics arrangements, and other requirements.

14.0 UPP Specific Requirements

14.1 Training, an established program will be operated within the company to ensure that all personnel are trained or familiarized with current company procedures through regularly scheduled training sessions. Required training will be based on the job description and requirements of the position. Training effectiveness must be evaluated.

14.2 Maintenance of Tooling and Equipment, the Supplier is responsible for the cost of maintaining all tools, inspection fixtures and machines provided by the UPP. The Supplier shall utilize a preventive maintenance program to maintain the condition of all production equipment and tooling. UPP may periodically inspect the condition of

equipment. Shortcomings that are not promptly corrected shall be addressed through UPP Purchasing. UPP reserves the right to correct any shortcoming and debit the Supplier the costs.

14.3 Conflict Material Reporting Requirements, the supplier is required to follow the UPP conflicts materials policy. Please follow the link for conflict materials on our website www.uppci.com.

14.4 Awareness, all suppliers for UPP are to ensure that persons doing work under the organization's control are aware of: the quality policy; relevant quality objectives; their contribution to the effectiveness of the quality management system, including the benefits of improved performance; the implications of not conforming with the quality management system requirements; relevant quality management system documented information and changes thereto; their contribution to product or service conformity;
their contribution to product safety; the importance of ethical behavior.

15.0 Dispute Resolution

15.0 DISPUTE RESOLUTION, Suppliers are encouraged to work out any disputes directly with UPP with which they have their concern. UPP Purchasing and/or Quality will investigate the dispute and work to resolve the issue in a collaborative and timely manner.

16.0 QMS Record Retention

All QMS records are to be maintained for a minimum of 10 years unless Customer Specifics indicate a longer timeframe. A record retention process must be documented. If a Supplier is removed from the Approved Supplier List or goes Bankrupt, all of the applicable records must be forwarded the UPP's Quality Department for record retention purposes.

17.0 DLA Master Solicitation Requirements

UPP Requires all suppliers to follow the most current revision of the DLA Master Solicitation for eprocurement automated simplifies acquisitions (PART 13) which can be found on the web at http://www.dla.mil/Acquisition/Pages/Automaster_EProcurement.aspx