

SUBJECT: Supplier Performance Expectations

Valued BEMA Supplier,

With our upgrade to AS9100D, BEMA wants to ensure proper Supplier relations that meet the new Standard. In an effort to ensure proper communication, we would like to outline some of our expectations when doing business with our suppliers:

SUPPLIER ON-TIME DELIVERY (OTD) of 90% or better

BEMA customers expect 100% OTD of our products, which we will not be able to accomplish without Supplier OTD at or about same level. Improving On-Time Delivery to our customers is a major focus for BEMA. OTD to BEMA of less than 90% may put the supplier's acceptable status at risk.

- An order is considered to be On-Time if it is delivered at our dock no later than two days beyond the due date. Example calculation: If a total of 15 line items were delivered and 10 of those were delivered on time, the OTD would be $10/15 = 67\%$.
- Changes to the originally agreed upon PO due dates must be communicated to your buyer prior to the on dock due date. Please inform the buyer as soon as you know the order date is changing, and if delayed, prepare to provide root cause and recovery dates, and expedite to completion. This also includes parts that have been returned to you for rework.

COMPLIANCE WITH QUALITY REQUIREMENTS

- The quality of services and products you provide to us affects the quality of BEMA products. BEMA's expectation for suppliers is less than 10% rejected or returned deliveries (RMAs) per year. RMAs of more greater than 10% may put the supplier's acceptable status at risk.
- First Article Inspection (FAI) Reports are required to be completed and maintained by suppliers **if** called out on the Purchase Order in accordance with AS9102 and include all actual certification documents and drawings.
- When a supplier completes a FAI report as required by AS9102, they shall submit a full copy to BEMA with shipment. Supplier shall keep a readily available copy on file for use by BEMA upon request. Any items that are required to have this inspection and shipped to BEMA without a completed AS9102 First Article Report may result in a non-conformance report issued to the supplier.
- Supplier performance assessment is an important part of our Aerospace Quality System (AQMS). To comply with QMS and our Customer's requirements flowdown, BEMA may have to perform a supplier assessment at your facility. In such case you will be receiving formal communication from BEMA to schedule and perform various audits and assessments. These may be performed by a qualified third-party auditor. Non-performance of OTD or Quality rejection may require Root Cause and Corrective Action

and may result in more visits and discussions. We expect and would appreciate your cooperation in scheduling and performing such activities with us, as needed.

- New ISO9001:2015 and AS9100D requirements include your action to ensure the following:

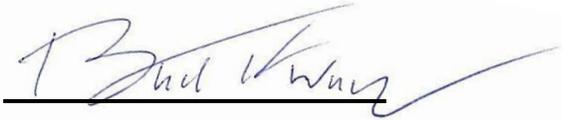
Your organization is expected to ensure your employees are aware of:

- *their contribution to product or service conformity;*
- *their contribution to product safety;*
- *the importance of ethical behavior.*

- Product Safety in our business includes consideration of Foreign Object Debris and Damage and prevention of counterfeit parts management. These considerations are flowed down on every Purchase Order that BEMA issues.

We appreciate your cooperation and look forward to our continued success.

Best regards,



Bud Kwan
Purchasing Manager