

Helibasket LLC

Supplier Performance Manual

Dear Supplier:

The Helibasket LLC Supplier Performance Manual is an integral part of the supply-chain management program. It is our expectation that all material and/or parts entering our facility satisfy the needs of our processes, as well as meet or exceed the requirements of our customers. The purpose of this manual is to clearly explain all aspects of our expectations, as well as those of our customers.

Our long-term relationship with our supply base will be dependent upon our cooperative efforts in meeting Helibasket LLC's expectations, as well as those of our customers.

Sincerely,

Helibasket LLC
(864) 638-6196

1.0 INTRODUCTION

1.1 Purpose

Helibasket LLC is dedicated to providing the highest quality products to its customers. In order to satisfy this task, our supply base must be just as dedicated. It is the intent of Helibasket LLC to do business with suppliers that are committed to providing parts, materials and processes that consistently meet required specifications at a competitive price in accordance with a defined delivery schedule.

The intent of this document is to define requirements and general guidelines to the extent that quality system requirements are passed down to Helibasket LLC suppliers and subcontractors. For the purposes of this document, suppliers and subcontractors will be collectively referred to as “suppliers” and Helibasket LLC (the agent issuing Purchase Orders (POs) or Subcontractor Agreements) will be referred to as “Contractor.” “Purchasing Representative” refers to the Helibasket LLC buyer. The requirements in this manual are not intended to supersede any purchase orders, Supplier Deviation Requests (SDRs) or material specification requirements.

1.2 Scope

The criteria contained in this manual apply to all production suppliers to Helibasket LLC, and to all subcontractors utilized by the supplier, including special processes (defined as welding, heat treating, plating, paint, etc.). Suppliers in specific categories will have specific requirements detailed in this document. Any product or service subcontracted by Contractor’s supplier is the responsibility of such supplier, and will be managed as such. In the event a supplier desires an exception to the requirements contained herein, a Supplier Deviation Request shall be submitted to the Purchasing Representative (Buyer) to retain the Contractor’s approval. If a conflict exists between the provisions of this document and those of the PO, the PO shall take precedence.

1.3 Supplier Contribution

The supplier is responsible for providing conforming product(s) and/or service(s) regardless of any outsourcing or involvement of subcontractors at any point in the supply chain. The supplier shall also emphasize the importance of occupational safety and health practices within its organization in accordance with OSHA regulations and applicable federal, state or local laws and ordinances.

The supplier shall also enforce the importance of ethical behavior within its workplace, as well as within any applicable element of the Supplier’s supply chain.

1.4 Acronyms

ANSI	American National Standards Institute	NIST	National Institute of Standards and Technology
ATP	Acceptance Test Plan	ODC	Ozone Depleting Chemical
AWS	American Welding Society	ODS	Ozone Depleting Substance
BTP	Build to Print or Build to a drawing	OEM	Original Equipment Manufacturer
CC	Critical Characteristics	OCM	Original Component Manufacturer

Helibasket LLC Supplier Performance Manual

COC	Certificate of Conformance	OSHA	Occupational Safety and Health Administration
CSI	Critical Safety Items	PO	Purchase Order
FAI	First Article Inspection	QMS	Quality Management System
FIFO	First In - First Out	QPD	Qualified Product Database
FOD	Foreign Object Damage	ROHS	Restriction of Hazardous Substances
FSC	Federal Supply Classifications	SCAR	Supplier Corrective Action Request
GHS	Globally Harmonized System	SDS	Safety Data Sheet
GIDEP	Government-Industry Data Exchange Program	ASL	Approved Supplier List
HAZMAT	Hazardous Material	SOW	Statement of Work
MIL-SPEC	Military Specification	SPC	Statistical Process Data
MTR	Material Test Report	TDP	Technical Data Package
IAW	In Accordance With		

2.0 PURCHASE ORDER REQUIREMENTS

2.1 General Requirements

The supplier will verify all purchase orders issued by Contractor upon receipt. Any discrepancies in price, quantity, specifications, quality requirements, and packaging or delivery requirements will be communicated to and resolved with Purchasing Representative prior to acting on the purchase order. If the supplier becomes aware of any circumstances that are likely to cause a delay in delivery of the ordered item(s), the supplier will immediately notify the Contractor in writing stating the reason for the delay and the updated delivery date.

All items are subject to final inspection and acceptance by the Contractor at destination not withstanding any prior payment or inspection at source. Final inspection will be made within a reasonable time after delivery.

The supplier will ensure that product shipped to the Contractor matches the part number and revision (if applicable) listed on the Purchase Order. All revision changes must be completed through the contractor and be documented. Verbal changes are not authorized.

The supplier's submission of records, reports, specifications, drawings, inspection and test results and other documentation will be in English.

2.2 Deviations and Substitutions

The supplier is required to comply with the specific requirements of any associated PO or contract. No deviations, changes and/or substitutions in material, design, specifications, product configuration, or operating performance are permissible unless documented by a change order generated by the Contractor or an approved Supplier Deviation Request.

Helibasket LLC Supplier Performance Manual

To request a change order or deviation, the supplier shall submit a Supplier Deviation Request (SDR) located on the Supplier Resources page at heli-basket.com, to the Contractor. The Purchasing Representative will forward the request for approval, as required by the Contractor's quality processes. In addition, suppliers shall not provide a substitute part or part number under this PO without written approval from the Purchasing Representative. Failure to comply with this requirement will be cause for rejection of shipment as nonconforming material.

2.3 Purchasing & Manufacturing Bearings

All ball and roller bearings and ball and roller bearing components delivered under this contract, either as end items or components of end items, will fulfill the requirements of DFAR Clause 252.225-7016 in that:

- the ball and roller bearings shall be manufactured in the United States, its outlying areas or Canada,
- the cost of the ball or roller bearing components manufactured in the United States, its outlying areas or Canada shall exceed 50% of the total cost of the bearing components of that ball or roller bearing

2.4 DFAR Compliancy (Buy American)

Certification and Country of Origin must be supplied with all delivered material upon request in accordance with DFAR-Clause 252.225.7001 (Buy America Act) and 252.225.7012 (Acceptable foreign Countries of Origin). All materials procured for this contract must be BAA/TAA compliant (or meet applicable exceptions) per the above-stated DFAR clauses, however domestic materials and components are highly preferred.

2.5 Delivery Documentation

The supplier must provide the applicable documentation as requested per PO, including all of the information listed below with each shipment:

- Supplier Certificate of Conformance dated and bearing the signature and title of an authorized company representative stating that the products and services furnished are in accordance with all applicable requirements and supporting documentation is on file and will be made available for review
- A packing list or other documentation containing:
 - Description, part number and revision (as applicable) of the product ordered
 - Delivered quantity, and open or back-ordered quantities as applicable
 - Serial number or batch number/date code where applicable
 - Date of Manufacture where applicable
 - Shelf life where applicable
 - Purchase order reference
 - Any other document specified in the PO
 - Safety Data Sheet (SDS) where applicable

Absence of delivery documentation in accordance with the PO will be considered as not fulfilling the requirements of the order. In this event, the Contractor reserves the right to return products to

Helibasket LLC Supplier Performance Manual

the supplier or withhold payment for the order. Shipping costs will be charged to the supplier if necessary.

3.0 SUPPLIER CONSIDERATION CRITERIA

3.1 Supplier Selection

Suppliers can be evaluated using the Contractor's Supplier Quality Questionnaire if considered key (critical components). Once the survey is reviewed, a preliminary audit may be conducted by the Contractor to determine the supplier's capability to conform to AS9100D requirements.

3.2 Performance Requirements

All suppliers are graded primarily on their on-time delivery and their conformance to purchase-order and supplier-quality requirements. Additional considerations include supplier communication, supplier response to changes in requirements, etc. Suppliers are qualified based on completion of all required documentation and either an on-site audit of business and manufacturing practices of the supplier, or the fulfillment of a qualifying first order, based on the criticality and requirements of the supplier being qualified.

3.3 Supplier Approval/Rejection

Suppliers with continual poor performance in either on-time delivery or quality are subject to a detailed performance review and/or being removed from the Contractor's Approved Supplier List. Suppliers under review are notified of their poor performance and provided metrics to validate the supplier's improvement in performance as well as a period of evaluation in which the supplier must show a trend of improving performance as outlined within the metrics provided to the supplier.

If a supplier has been removed from the Approved Supplier List, the supplier can request reinstatement. Once the request has been made, all open Process Improvement Requests must be closed. A documented recovery plan must be submitted to the Contractor for review. An on-site audit may be performed to verify supplier improvements.

4.0 SUPPLIER RESPONSIBILITIES

4.1 Process Control

The supplier shall maintain control and approval of all manufacturing (machining or fabrication) processes, including but not limited, to welding, soldering, plating, painting and inspection processes used in the fulfillment of any associated PO. The supplier shall maintain objective evidence of process qualification and competence in accordance with applicable specifications, the approval status of which will be subject to review and may be disapproved by the Contractor. Any deviation from required materials and/or processes that affect fit, form, or function shall be reported to the Contractor via the completion of a Supplier Deviation Request to obtain Contractor's approval prior to use or application.

Helibasket LLC Supplier Performance Manual

The supplier shall notify the Contractor of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the Contractor's approval via approval of above-stated SDR prior to delivery of product(s) and/or service(s).

4.2 Approval of Products and Services

Supplier acceptance of a PO indicates that the supplier has the full capability and all resources necessary to provide conforming product(s) and/or service(s) to the Contractor for all products and/or services described in a PO, unless otherwise communicated to the Contractor and agreed upon prior to acceptance of the PO. Resources include, but are not limited to: tooling, equipment, infrastructure, capacity and qualified personnel. Delivery of non-conforming products due to insufficient or inadequate resources is never justified, and may result in disqualification from the Approved Supplier List. Approval is based upon conformity as determined by the Contractor's internal inspection and test procedures, supplier performance, and/or on-site audits. Contractor acceptance does not absolve the supplier from providing acceptable product.

4.3 Release and Disposition of Products and Services

All goods and services delivered to the Contractor shall contain with the delivery a signature of approval for the release of goods and services from supplier personnel authorized to conform and release shipment. Non-conforming products shall not be delivered to the Contractor unless prior authorization is received in writing from the Contractor. Acceptance of supplier goods and services is subject to internal inspection and conformance performed on Contractor premises by qualified quality personnel prior to reconciliation of the shipment. The supplier shall also immediately notify the Contractor in writing of all non-conforming product malfunctions, defects, and deviations found after delivery. All accompanying documentation shall be reviewed and require approval prior to acceptance of goods and services.

4.4 Right to Access: Surveys and Audits

Upon notice, supplier facilities and operations may be surveyed at any level of the supply chain either before or after the placement of any PO for the Contractor to verify conformity to the required processes and procedures. When appropriate, the PO will detail any additional rights to inspect the vendor's premises and applicable records. Inspections by the Contractor may include the customer and/or appropriate regulatory authorities. Upon notice, audits may be conducted to determine compliance with purchase requirements and the requirements of this document. Suppliers will be given no less than five (5) business days' notice prior to a surveillance audit. The supplier may request to review the results of any audit conducted by the Contractor up to sixty (60) days following the conclusion of an audit.

4.5 Sub-Contractors

The supplier is required to assure that their sub-contractors maintain an adequate inspection and business management system to assure product conformance. Each inspection or testing activity shall have documentation that defines the requirements, such as parameters to be checked, statistical methods, sampling plan, non-conformance criteria, etc. Suppliers must flow down all

Helibasket LLC Supplier Performance Manual

requirements on any associated PO or subcontract agreement, including key characteristics, to applicable subcontractors (dependent on supplier tier and/or criticality of components).

The use of subcontractors does not release the supplier of responsibility for the product or service to the Contractor. A list of supplier's sub-contractors may be requested by Contractor at any point in the production process to validate sub-contractor conformity.

4.6 Counterfeit Avoidance Plan

Helibasket LLC defines a counterfeit part as any part or component that does not meet ALL of the following requirements:

- Part country of origin must be identified as domestic (preferred) or DFARs compliant
- All required documentation, as identified on Purchase Order, must be present for all parts
- Parts must be manufactured, fabricated or assembled to the standards specified

The supplier shall have a plan to control, detect and avoid supplying counterfeit components, raw materials, paints, primers and composite materials to the Contractor. The supplier shall immediately notify the Contractor of any suspect counterfeit or fraudulent parts or material that may have been used in products delivered to the Contractor.

4.7 Electronic Components

The Contractor will not accept electronic components from suppliers that are under a "Stop Shipment Order" as determined by the Government Industry Data Exchange (GIDEP). Distributors of electronic components that are authorized by an OCM or OEM shall provide full traceability back to the manufacturer, including lot/date code, and include a copy of the original component manufacturer's COC with each delivery. Independent distributors or brokers not authorized by an OCM must also provide traceability back to the manufacturer and include a copy of the OCM's COC with each delivery. If the original COC cannot be provided, the supplier must test and assure authenticity IAW AS6081 Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition, and provide these results before delivery to the Contractor via the Purchasing Representative.

When purchasing electronic components for the Contractor, the supplier shall follow the below order of preference:

Original Manufacturer
Original Manufacturer provides C of C and verifies authenticity.
Authorized Distributor
Full traceability back to original manufacturer shall be provided with the material. Supplier shall include a copy of the original C of C.
Independent & Unauthorized Distributor or Broker
NOT AUTHORIZED

Helibasket LLC Supplier Performance Manual

Certification workmanship standards shall comply with IPC J-STD-001 Class 3, IPC/WHMA-A-620 Class 3, IPC-A-610 Class 3, and IPC-A-600, as applicable, unless otherwise specified. Electrostatic discharge (ESD) protection shall comply with ANSI/ESD 20.20, as applicable.

Static sensitive parts will be packed in a conductive frame or with leads inserted in conductive elastomer or foam to protect them against electrical charges. External labels shall identify the package on at least two sides as containing static sensitive devices. ESD protection shall comply with American National Standards Institute (ANSI) / Electronic Static Discharge (ESD) 20.20, as applicable. Packaging and marking must allow for the administration of FIFO inventory control. It is preferred that all suppliers separate and identify lots containing multiple date codes. Product marking shall be in accordance with drawing requirements and MIL-STD-130 - Identification Marking of U.S. Military Property. Reference paragraphs 5.3.1 through 5.3.7 of the standard.

5.0 QUALITY PROGRAM EXPECTATIONS

5.1 Supplier Quality System Requirements and Improvements

The supplier's business management system shall include a process that ensures professional services and products are initially tested and periodically re-tested to assess the supplier's ability to meet all requirements. All workmanship and engineering records shall be documented and retained for a minimum of ten (10) years.

The supplier's business management system should be documented and traceable to a standard subset of procedures and work instructions. It shall be the responsibility of the supplier to perform internal audits on a periodic basis, and to maintain a business management system in compliance with terms agreed upon with the Contractor. The supplier shall establish and maintain a quality improvement program to improve and sustain the quality and reliability of the processes. Quality issues shall be documented and communicated to the Contractor immediately, or within a reasonable time frame so that the issue may be corrected with minimal cost and/or loss of time or product. The supplier will notify the Contractor in writing:

- Within 30 days of any change in supplier's registration system (ISO 9001, AS9100, AS9110, AS9120, NADCAP, FAA 145, etc.) or the results of any regulatory investigations conducted by the US Government and/or the Federal Aviation Agency (FAA)
- Within 60 days prior to any relocation of production operations or upon any change in the quality organization or the services provided that could affect product conformity or delivery; this includes changes to facility locations, subcontractors and manufacturing/processing capabilities
- Changes to any requirement or characteristic of the product, either specified, implied or advertised, or service being delivered which affects any characteristic of the product, will not be made without prior written approval from the Contractor.

5.2 Quality Records

Suppliers' quality records for products and deliverables shall be retained by the supplier for ten (10) years from the inspection and acceptance of the last delivery.

Helibasket LLC Supplier Performance Manual

At a minimum, records shall include:

- Product process identification;
- Material certifications & traceability documentation;
- Subcontractor process control;
- Inspection documentation including quantity of product inspected, inspection procedures followed, inspector, tester, quality representative, date of inspection, and number, type, and severity of defects found.
- Authorization for release of products and/or services

These records shall be sufficient to validate conformance of products and services to all applicable specifications and drawings. Upon request, these records shall be made available to the Contractor within three (3) business days of the request.

5.3 Competence

Supplier personnel performing inspection, testing, assembly, integration, welding, plating, or manufacturing shall be competent for the appropriate skill they are performing. When requested, records of such competence assessments and/or training shall be made available to the Contractor. Additional personnel qualifications, if any, will be indicated on a PO. If specific certifications are required to perform certain tasks (such as welding), those certifications must be presented prior to articles being delivered, and manufacturing documentation must show records of the certified individuals performing the required tasks.

5.4 Calibration Control

The supplier's quality organization shall maintain records and equipment to ensure that no "out of calibration" equipment is being used during testing and inspection of products provided to the Contractor. The supplier shall control the calibration of all measuring devices against certified standards traceable to the National Institute of Standards and Technology (NIST). The supplier shall notify the Contractor of any items found to be out of calibration that affect any product delivered to the Contractor as soon as it is discovered, including any time after delivery.

All test equipment shall be validated to assure that it has the accuracy and resolution to measure the parameters being tested. The test equipment shall maintain repeatability within its allowable tolerances.

Supplier calibration control is subject to audit and review by a Contractor quality representative.

5.5 Inspection and Testing Plan

Each inspection or testing activity shall have documentation that describes detailed requirements including parameters to be checked, statistical methods, sampling plan, non-conformance criteria, etc. The supplier is required to perform a final inspection before delivery to the Contractor.

When required by a PO or Subcontractor Agreement, an inspection and test plan for the control of articles furnished in accordance with this PO shall be considered and integrated into the production

Helibasket LLC Supplier Performance Manual

process. The plan defines the inspection points throughout the manufacturing sequence and describes what, where, and when inspections shall be implemented to control the product. Documentation regarding inspection and test plans shall be retained as part of the Supplier's quality records.

5.6 Source Inspection

When source inspection is specified by the PO, the supplier shall notify the Contractor no later than three (3) business days prior to final inspection or testing of the PO deliverables, to ensure the availability of the Contractor's quality assurance representative who will be present to witness the inspection/test.

5.7 Special Inspection Requirements

To identify incoming production parts that require special inspection, the Contractor will detail special inspection requirements on the PO for each part number requiring special inspection, and the inspection procedures required per part.

All parts requiring special inspection will require the supplier to submit an AS9102 First Article Inspection document (or equivalent) with the initial part(s) shipped against the P/O. Parts will be delivered with a single part FAI to a ballooned print (unless otherwise specified) for receiving inspection. The part used for the FAI shall be conspicuously identified by the supplier and included within the shipment of parts.

Form, fit, function gages belonging to the supplier and approved by the Contractor can be substituted for a partial or complete FAI if applicable, and prior approval by the Contractor is granted.

5.8 Certificate of Conformance (COC)

To assure conformity to the PO requirements, all deliveries to the Contractor shall be accompanied with a certificate of conformance (COC) provided by the supplier. The COC for electronic components shall contain the original component manufacturer (OCM).

The COC shall serve as written verification that all parts, materials, processes, and finished items to be supplied under this or any associated PO or subcontract have been inspected, tested, and found to comply with the requirements of the PO. Revisions of referenced military specifications, military standards, drawings and written specifications, or any other revision-controlled requirements or documents which are invoked by reference on the PO are in effect as of the date of the PO.

A COC from an original equipment manufacturer (OEM) or OCM of a product can replace a supplier's COC as long as it can be traced to the original PO.

When the Contractor furnishes material to the supplier, the supplier shall verify that the correct material has been received IAW the accompanying shipping documentation, material certifications and/or drawings.

5.9 Traceability

The supplier shall maintain objective evidence of the quality of the item supplied; including manufacturing, assembly, inspection, test and special process records. All records relating to special requirements, key characteristics, and critical safety items (CSIs) shall be clearly identified and traceable to the date and place of production, OEM or OCM. Recorded evidence shall provide the degree of traceability required to enable subsequent verification of all aspects of material, manufacture, special processes, personnel certification, variability control charts, assembly and inspection of critical characteristics. The supplier must maintain certificates of Traceability for Berry Amendment compliant materials.

6.0 PRODUCTION PROGRAM EXPECTATIONS**6.1 Production Part Approval Process (PPAP) indicated on Purchase Order:**

For parts requiring a PPAP, it will be requested on the Contractor's PO. The Production Approval Process must acknowledge the production requirements of the Contractor and their customer, and document how the supplier intends to meet these requirements. PPAP requirements include but are not limited to: a list of approved subcategory suppliers, manufacturing, fabrication, assembly, inspection and testing procedures, a process control plan, serialization and lot identification procedures, approved tools and equipment lists, etc.

Initial shipments made against a PO requiring a production approval process must follow the PPAP. When a PPAP is required on the purchase order, the following documents shall be included with the initial shipment:

- Process Control Plan
- Material Certifications
- Any required test results as deemed necessary by Helibasket LLC
- Process Capability (Print defined Critical Characteristics only)
- AS9102 FAI or equivalent
- Control Requirements for outsourced special processes (only applies to special processes as defined in the scope)

Once received, the Contractor will review the documents for acceptability and compliance and will provide comments and/or grant approval for the PPAP. Once approval is obtained by the supplier, orders can then be received, and the process may not change without prior notification and approval from the Contractor. Any changes thereafter must be treated as a Supplier Deviation Request and necessary documentation must be submitted for approval to the Contractor.

Examples of changes requiring notification and approval are below:

- Use of a different raw material or component
- Production from a new or modified tool, die, mold, etc., including refurbishment (does not include perishable tools such as drills, end-mills, saw blades, etc.)

Helibasket LLC Supplier Performance Manual

- Production from a different plant location or from an additional plant location, (including any subcontracted process from the supplier.)
- Change in subcontractor

6.2 Design Control and Technical Data Packages (TDP)

This section is intended to communicate the requirements for TDPs supplied to the Contractor by subcontractors and suppliers when asked to provide design services. This includes adherence to the Contractor's TDP requirements, as well as all applicable military, aerospace and other industry standards. In addition, this document details requirements for supplier review of all drawings and technical documents delivered by the Contractor. For the purposes of this document, suppliers and subcontractors will be collectively referred to as "suppliers."

6.2.1 Adherence to Industry Standards

Unless otherwise specified in the PO, all technical documents must also meet the requirements of ASME-Y14.100 engineering drawing practices, including appendices and accompanying documents. This standard establishes the essential requirements and reference documents applicable to the preparation and revision of engineering drawings and associated lists.

Additional standards may be required and referenced in the purchase order. Airworthiness certification may invoke special requirements specified by Contractor's customer, and these requirements will also be flowed down to the supplier. If any requirements/standards contradict one another, the supplier shall contact the Contractor for clarification before proceeding.

6.2.2 Required Supplier Processes

When asked to provide design services, the supplier shall establish a drawing review process to ensure they meet all Contractor requirements IAW the PO and the agreed upon schedule, to include the following:

- Technical review to ensure that drawings meet applicable standards
- Technical document review to ensure that documents provided to the Contractor contain adequate details to fulfill their intended purpose (e.g., weight and balance reports, electrical load analysis, structural analyses, or any other document defined in the PO)

The supplier's process shall include handling of design changes, including both internal management of the changes as well as communication with the Contractor when a design change affects product features and/or performance. Upon notice, all supplier processes are subject to audit by the Contractor.

6.2.3 Contractor Engineering Review

After an engineering review by the Contractor, feedback will be provided to the supplier to correct any issues. Once corrected, the supplier shall resubmit to the Contractor for approval. Contractor engineering reviews include the following:

Helibasket LLC Supplier Performance Manual

- Preliminary technical drawing review, to identify global errors at the beginning of the project
- Final drawing review, to monitor adherence to requirements stated in section D.01
- Technical documentation review to include reports and analysis

6.3 Raw Material Acquisition

All raw materials used in manufacturing Contractor products, as well as material to be used for build-to-print or modification projects must be identified per the applicable specification, including plates, bars, extrusions, sheets of aluminum, steel, or other material. Only materials that meet the MMPDS requirements, Contractor requirements, and specified on the print will be accepted. In the instance where more than one material specification is provided on the print, specifications shall be prioritized in order of desirability (top to bottom).

Material and/or property belonging to the Contractor shall be identified, verified and safeguarded from accidental misuse or destruction by the supplier. In the event that material and/or property is lost, damaged or otherwise found to be unsuitable for use, the supplier shall report this to the contractor and retain documented information on what has occurred.

Any raw material deliveries shall be accompanied by a material test report (MTR) to provide evidence that the material used meets the requirements of the drawing. MTRs are required and shall contain a chemical and physical test report, including actual test results from samples representative of the material shipped under this or any associated PO or subcontractor agreement. Raw material received by suppliers that does not have appropriate marking indicating the alloy or AISI recipe must be validated, either by chemical sample testing or spectroscopy.

Raw material deliveries shall also be compliant with the Counterfeit Avoidance section of this document.

6.4 Special Processes: Welding and Sewing

To control special processes that cannot be validated after being performed (e.g., welding, sewing), the Contractor may require initial qualification of competent and/or certified personnel to verify the processes meet the requirements of the Contractor.

Unless otherwise specified on the PO or drawing, all areas to be welded shall meet the welding requirements defined in ANSI and American Welding Society (AWS) Structural Welding Codes, or appropriate MIL-STDs as applicable. All material must be cleaned and prepped prior to welding, and all prep and welding techniques shall conform to the applicable standards, unless otherwise specified on the Purchase Order.

All welds shall be cleaned of slag and discoloration (where applicable). Welds that require grinding or dressing shall not compromise the dimensions specified on the print. Flat and concave grinds shall not affect the integrity of the base materials.

Helibasket LLC Supplier Performance Manual

Unless otherwise specified on the PO or drawing, all stitching and sewing shall conform to as applicable to the production and manufacturing of slings made from synthetic rope and webbing. Representative samples may be requested for destructive testing to validate that sewing meets the Contractor's requirements. All stitches shall be clean and free of thread knots and tangles.

Special processes performed by the supplier and their associated competencies are subject to audit and review at any time upon notice by the Contractor quality representative. The Contractor has the right to reject all articles associated with a special process that fails sample inspection or sample testing requirements. Welding and sewing raw materials shall also be compliant with the Counterfeit Avoidance section of this document and are subject to audit and review by a Contractor quality representative.

6.5 Special Processes: Paint, Plating and Coating

The Contractor will only accept paints, platings and coatings that have material certifications and/or are manufactured to military (or equivalent) specifications. The supplier is responsible for passing the Contractor's purchase requirements to all subcontractors, including all applicable industry standards. The COC for all supplier-managed Mil. Spec items must include the original manufacturer of the product.

When required, the supplier's subcontractor will provide a representative sample for testing to validate the requirements of the coating. The Contractor has the right to reject all articles associated with a particular process that does not meet the Contractor's requirements.

Paint, plating and coating deliveries shall also be compliant with the Counterfeit Avoidance section of this document and are subject to audit and review by a Contractor quality representative.

6.6 Part Appearance and Craftsmanship

Due care should be given to manufacturing and providing parts that meet a typical degree of industry craftsmanship. Standard requirements which may not be specifically identified on prints are as follows:

6.6.1 Cleanliness of Workspace

- Workspace should be suitable for inspection purposes and free of clutter
- Proper PPE garments such as cotton or latex gloves and/or eye protection should be worn

6.6.2 Cleanliness of Part being Inspected

- Products should be free of dirt, grease, oils, contaminants, and any removable foreign material
- Parts should be free of burs and sharp edges
- At supplier location, parts shall be cleaned using appropriate methods
- At Contractor's location, parts may be rejected for unacceptable cleanliness

6.6.3 Staining and Discoloration

Helibasket LLC Supplier Performance Manual

- For painted or coated parts, staining and discoloration is not acceptable
- For uncoated parts, staining is not acceptable. Standard mill finish applies unless more stringent criteria is defined on the drawing or PO
- For specific guidelines, review the Visual Inspection Guidelines located in the Appendix

6.6.4 Insufficient/Excessive Paint and/or coating

- Supplier shall refer to supplied drawings for masking, keep-out areas and allowable overspray. Special requirements may be listed on the PO
- Coverage in painted/coated areas is expected to be complete without exposing base material or excessive build-up of coated material
- It is not acceptable for paint and coatings on surfaces to cause dimensions to exceed the allowable tolerances for the dimensions on the drawing. The dimensions listed on the drawing apply to the finished part after painting and coating
- For specific guidelines, review the Visual Inspection Guidelines located in the Appendix

6.6.5 Visual Inspection Requirements

- All surfaces should be viewed as close to “normal viewing position” as is practical. It is not necessary (unless otherwise specified) to rotate the part to allow light to reflect at all possible angles of the product
- Lighting should be sufficient to inspect the part
- For viewing time and distance (relative to the “viewing zone”, please reference the Appendix (Visual Inspection Guidelines)

Any part-specific or special requirements will be documented on the drawing and/or the PO. For all other instances, a Standard Guidelines Table for Visual Inspection has been included in the Appendix of this document for reference. *It is the supplier's responsibility to obtain and conform to all specifications referenced on the prints.*

6.7 First Article Inspection (FAI) & QC Levels

Depending on the tier level of the supplier and the requirements of the PO, the supplier may be required to submit a sample first item for dimensional and functional approval prior to production. The supplier shall notify the Contractor when the item is ready for approval/examination. Such examination may be conducted at the supplier's facilities or at the Contractor's receiving inspection area.

6.7.1 First Article Inspection Report (AS9102)

A COMPLETE First Article Inspection (FAI) Report may be required for build-to-print items (BTP), for initial production runs, or for products that have not been manufactured for over two (2) years. It is recommended that the supplier use the Contractor's AS9102 form (available at heli-basket.com/supplier-resources) for their FAI or equivalent format approved by the Contractor. An FAI contains

Helibasket LLC Supplier Performance Manual

complete traceability from the top level to any sublevel parts that the supplier is providing, to include any material certifications and testing reports provided by the Contractor. Changes to the location of manufacturing, including subcategory suppliers and outsourced processes, may require an FAI.

All part drawings shall carry a unique QC level listed in the title block and designating the baseline level of inspection required for production. FAI's and production inspection documentation may be required on delivery and should be retained by the supplier for a minimum of ten (10) years. QC levels range from zero (0) to five (5), listed below:

QC LEVEL		
0	Non-Critical Components (No ID)	10% Critical Feature Inspection
1	Critical Safety Item (Serialized)	AS9102 + 100% Critical Dimension Inspection & Material Certs
2	Critical Assembly (Serialized)	AS9102 + 100% Critical Process Validation and Crit. Dimension Insp.
3	Key Components (Lot ID)	FAI + 10% Production Inspection – Crit Dims, Lot Segregation
4	Modified Purchase (Lot ID)	FAI + 10% Critical Feature Inspection, TAA V&V, Lot Segregation
5	Purchased Components (No ID)	10% Critical Feature Inspection, TAA V&V, Lot Segregation

6.8 Part Identification

All items supplied to the Contractor shall be identified with complete nomenclature and part numbers. Parts requiring Lot Identification, Batch Numbers or Serial Numbers shall be identified per the Purchase Order.

As a minimum, the identification shall include serial number(s), lot/batch number(s), or referenced Purchase Order(s) as applicable.

6.9 Purchased Critical Safety Items (CSI) and Products with Limited Life

For all purchased critical and limited-life Items, the date of manufacture or shelf life must be supplied with the item. Limited-life items provided to the Contractor must have a minimum of 50% of their shelf life remaining upon delivery.

All records relating to CSIs should be clearly identified and traceable to the date and place of production, including the OEM or OCM. It is the responsibility of the supplier to retain traceability documentation for CSIs and limited-life items for up to 10 years past the manufacture date.

7.0 STORAGE, HANDLING & PRESERVATION

7.1 Packaging and Preservation

Materials are to be shipped in containers in keeping with good commercial practices to preclude any damage or loss being incurred during transportation and storage. Materials in boxes shall be

Helibasket LLC Supplier Performance Manual

shipped in boxes rated for the weight contained. Where the possibility of spoilage exists, items in storage shall be date stamped, coded, etc., and used on a first-in/first-out (FIFO) basis.

Areas used for handling, storage, packaging, inspection, and testing of products or services shall be clean, safe, and well-organized to ensure that they do not adversely affect quality or personnel performance. The transporting of material shall be such as to avoid damage to the material and/or installed/completed equipment. Each container should have a consistent number of parts except the final container, which may have a quantity difference. Each container shall be identified with the part number(s), revision(s), and quantity of the contents.

If specified by the PO, boxes/containers that are stored at the supplier facility or shipped to the Contractor shall be packed and properly identified/labeled.

7.2 Foreign Object Damage (FOD)

Goods supplied to the Contractor shall be manufactured in an environment free of foreign objects and shall be free of foreign objects upon delivery. The supplier shall have provisions for the prevention of foreign object damage (FOD) and have a course of action to implement if it does occur.

7.3 Hazardous Material (HAZMAT)

All material requiring a safety data sheet (SDS) will comply with Occupational Safety and Health Administration (OSHA) Hazard Communication Standard 29 CFR 1910.1200 which requires a "downstream flow" of information, addressed as "FAX on Demand" described requirements of the regulation as stated in 1910.1200 paragraphs (g)(6)(i) thru (g)(7)(vii) of the standard.

Suppliers shall not use any Class 1 ozone depleting chemical/ozone depleting substance (ODC/ODS) identified at the manufacturer, or in support of items required by the Contractor unless a waiver is obtained from the Government via the Contractor (Buyer). All suppliers' support service activities shall be in compliance with applicable federal, state, and local environmental laws and regulations.

8.0 DEVIATIONS AND NON-CONFORMANCES**8.1 Requested Deviations**

In the event a supplier needs special deviation to print requirements such as tolerance, dimensions, material, etc. the supplier shall complete the Supplier Deviation Request form provided by the Contractor (or equivalent). This form can be found in the "Supplier References" section of the Contractor's website. The SDR shall be used to document the scope and specifics of the supplier's request.

The contractor may not accept products shipped by the supplier that are affected by the Supplier Deviation Request form until such form has been submitted to and approved by the Contractor and its customer.

Helibasket LLC Supplier Performance Manual

8.2 Supplier Responsiveness to Non-Conforming Product

Suppliers are expected to be proactive in their control of processes and product supplied. In the event non-conforming products reach the Contractor's facility, the supplier shall be notified. The supplier may be asked to aid in disposition of the suspect parts. Suppliers shall quarantine all parts or material in their facility related to the non-conformance and certify future shipments. Certification will be clearly defined on the initial response and include identification witness marks on each individual part as well as identification on the outsides of the shipping containers.

8.3 Rework/Sort Charges

In the event rework or sorting of supplier goods is performed at the Contractor's facility, the supplier will be responsible for the applicable charges. The current hourly shop rate is \$100 USD per hour. Corresponding documentation to the supplier will be in the form of email or phone call. Every attempt will be made to contact the supplier for disposition prior to any rework or sorting by the Contractor. However, the Contractor will not jeopardize shipment to its customers and will take all necessary actions to procure and release products on time.

8.4 Cost Recovery

Suppliers will be responsible for ALL costs associated with Helibasket LLC or its customers receiving defective material. Costs may include but are not limited to:

- Administrative
- Sorting of suspect material
- Rework
- Customer charges
- Shipping Costs
- Production downtime
- Third-party containment
- Scrap
- First article rejection
- Overtime
- Laboratory testing
- Travel and associated costs

Specific implementation instructions will be defined in the Supplier Agreement document.

The rest of this page is intentionally left blank

APPENDIX: VISUAL INSPECTION GUIDELINES

A.01 Viewing Zones

Viewing Zones have been established and are listed here only to maintain continuity. This is classified from A to D, most important to least important.

"A" Zone	All areas that include the primary appearance and interface area, as the customer views or interacts with the product part. Refer to the photographs at the end of this Appendix identifying examples of this area. This is the area that is most visible to the customer
"B" Zone	Areas adjacent to "A" zone, but not readily visible in normal open and close positions
"C" Zone	Areas that are visible only when special effort must be made to see a sizeable defect
"D" Zone	All areas that are not immediately exposed (between surfaces, inside closed compartments, etc.)

A.02 Process for using the Vision Inspection Guidelines Reference Table:

1. Determine the type of defect
2. Determine the number and size of defects
3. Determine the zone(s) the defects are in
4. Determine the surface area size of the part. If less than 400in² Use the left-hand side of the table. If greater than 400in² use the right-hand side of the table.
5. Use the information in steps 1 through 4 in the Visual Inspection Guidelines Reference Table to determine acceptability.

A.03 Viewing Parameters

Each zone A-D should be inspected using the following parameters for viewing time and distance:

- A. Zone A should be inspected no closer than 18in from the surface(s) being inspected for no more than 10 seconds
- B. Zone B should be inspected no closer than 24in from surface(s) being inspected for no more than 8 seconds
- C. Zone C should be inspected no closer than 30in from surface(s) being inspected for no more than 6 seconds
- D. Zone D should be inspected no closer than 3ft from surface(s) being inspected for no more than 4 seconds

No surface should be inspected for more than 10 seconds. This "once over" glance is sufficient to notice any imperfections that are readily apparent. Imperfections that take over 10 seconds to notice are generally not the type that would result in customer dissatisfaction. Please use the following Reference Tables and photos to determine acceptable defects and compliance with the Contractor's specifications and requirements.

Helibasket LLC Supplier Performance Manual

A.03 Visual Inspection Guidelines Reference Table

Defect	Zone	Part entire Area <400in ² per side		Part entire Area ≥400in ² per side	
		Max Defect Size Allowed	Max Number Allowed per 100in ²	Max Size Allowed	Max Number Allowed per 300in ²
Applicable to all Parts					
Fracture, Split, Crack	N/A	Defect Not Allowed			
Incomplete Fill / Cold Shot in Cast Materials	N/A	Defect Not Allowed			
Corrosion, Oxidation, Rust	N/A	Defect Not Allowed			
Burrs and Sharp Edges	N/A	Defect Not Allowed			
Scuff, Abrasion, Mark (light)	A	None	0	1" long	1
	B	0.25"	2	1.5" long	2
	C	0.5"	2	1.5" long	4
Note: Must not catch fingernail	D	1.0"	8	Acceptable	8
Scratch (catches fingernail)	A	None	0	0.25" long	1
	B	0.125"	1	0.5" long	2
	C	0.25"	2	1.0" long	4
Note: No exposed metal; 0.015" width max	D	0.5"	8	Acceptable	8
Pits	A	None	0	0.03"	3
	B	0.04" dia x 0.04" deep	2	0.03"	6
	C	0.06" dia x 0.06" deep	4	0.045"	6
	D	0.10" dia x 0.10" deep	8	Acceptable	Any
Gouges	A	None	0	None	0
	B	None	0	0.03" X 0.06"	2
	C	0.075" x 0.25"	2	0.075" x 0.25"	2
Note: Maximum depth is 0.04"	D	0.125" x 0.5"	8	Acceptable	Any
Dent, Ding, Nick	A	None	0	None	0

Helibasket LLC Supplier Performance Manual

	B	0.100" dia	1	0.25" dia	1
	C	0.125" dia	3	0.50" dia	1
Note: No exposed metal; 0.04" depth max	D	0.250" dia	5	1.00" dia	Any

Helibasket LLC Supplier Performance Manual

Defect	Zone	Part entire Area <400in ² per side		Part entire Area ≥400in ² per side	
		Max Defect Size Allowed	Max Number Allowed per 100in ²	Max Size Allowed	Max Number Allowed per 300in ²
Rainbow Effect	A	None	0	1" long	0
	B	Less than 0.5in ²	2	Less than 0.5in ²	4
	C	Less than 1.0in ²	4	Less than 1.0in ²	8
	D	Acceptable	Any	Acceptable	Any
Burnish Marks	A	None	0	None	0
	B	None	0	None	0
	C	0.25"	2	0.5"	4
Note: Attempt to polish out except on Aluminum	D	Acceptable	Any	Acceptable	Any
Bend Line (Edge Area)	A	None	0	None	0
	B	0.25" from edge, allowed entire length	Any	1.0" from edge, allowed entire length	Any
	C	0.5" from edge, allowed entire length	Any	Acceptable	Any
	D	Acceptable	Any	Acceptable	Any
Welded Area (showing burn or black)	A	None	0	None	0
	B	None	0	None	0
	C	Within 0.25 of Weld	Any	Within 0.25 of Weld	Any
	D	Acceptable	Any	Acceptable	Any
Plated, Painted & Coated Parts (Also includes specifications from section "Applicable to All Parts")					
Runs	A	None	0	None	0
	B	0.06"	2	0.12"	4
	C	0.1"	4	0.2"	8
	D	0.25"	6	0.5"	12
Blistering, Peeling, Flaking, Chipping	A	None	0	None	0
	B	0.1"	2	0.1"	2
	C	0.15"	3	0.15"	3
Note: Should not expose base metal; paint touch-up allowed	D	0.2"	4	0.2"	4

Helibasket LLC Supplier Performance Manual

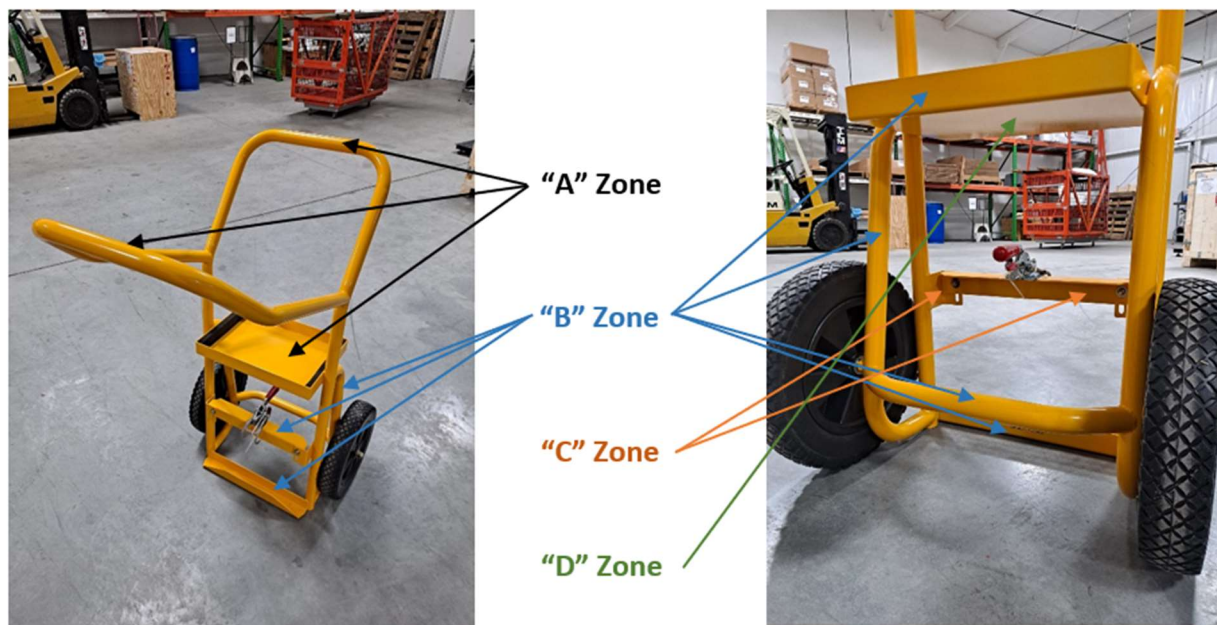
Fisheye	A	None	0	None	0
	B	0.06"	2	0.06"	4
	C	0.1"	4	0.1"	8
	D	0.125"	6	0.125"	12
Orange Peel / Orange Skin	A	None	0	None	0
	B	0.25"	2	0.25"	4
	C	0.5"	4	0.5"	8
Note: Must be fully cured	D	Acceptable	Any	Acceptable	Any

Defect	Zone	Part entire Area <400in ² per side		Part entire Area ≥400in ² per side	
		Max Defect Size Allowed	Max Number Allowed per 100in ²	Max Size Allowed	Max Number Allowed per 300in ²
Delamination	A	None	0	None	0
	B	None	0	None	0
	C	None	0	None	0
Note: Only allowed over stainless steel or Aluminum, only in D zone	D	0.5"	4	0.5"	4
Bleed Out	A	None	0	None	0
	B	0.25"	2	0.25"	4
	C	0.375"	4	0.375"	8
	D	0.5"	8	0.5"	16
Slug mark	A	None	0	None	0
	B	.060" x .012"	1	.060" x .012"	1
	C	.060" x .012"	3	.060" x .012"	3
Note: Cannot exceed drawing tolerances	D	Acceptable	Any	Acceptable	Any
Flow Marks & Ripples	A	None	0	None	0
	B	less than 0.5in ²	2	less than 0.5in ²	4
	C	less than 1in ²	4	less than 1in ²	8
	D	Acceptable	Any	Acceptable	Any

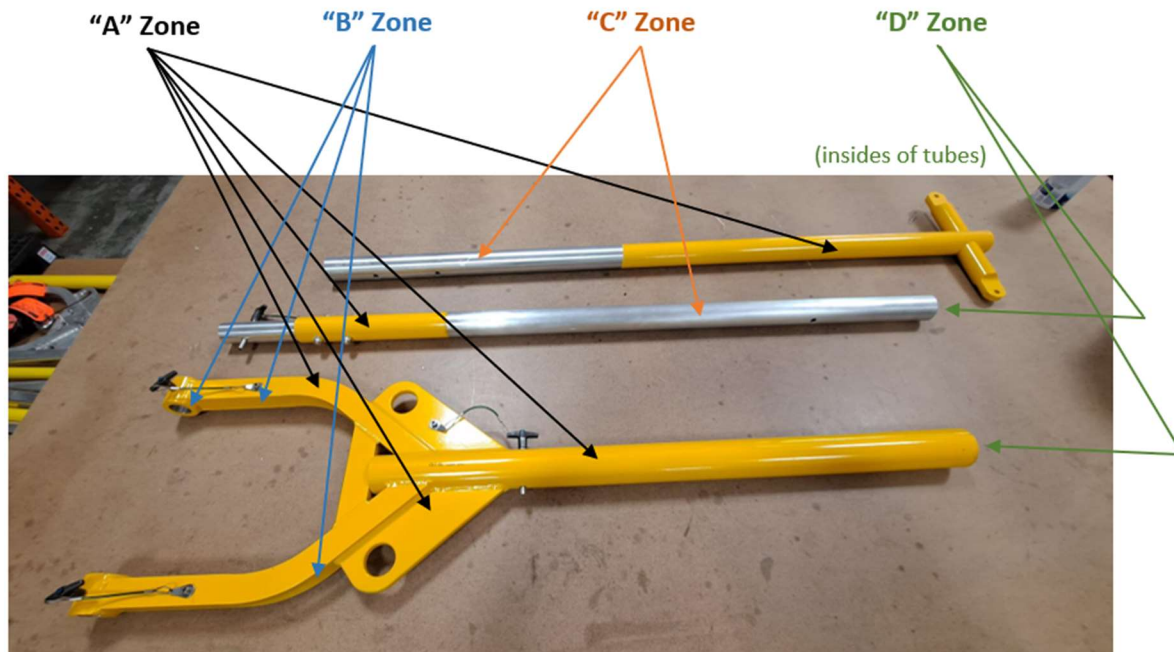
Helibasket LLC Supplier Performance Manual

A.04 Photo References Identifying Viewing Zones

A.04.1 STS Trolleys

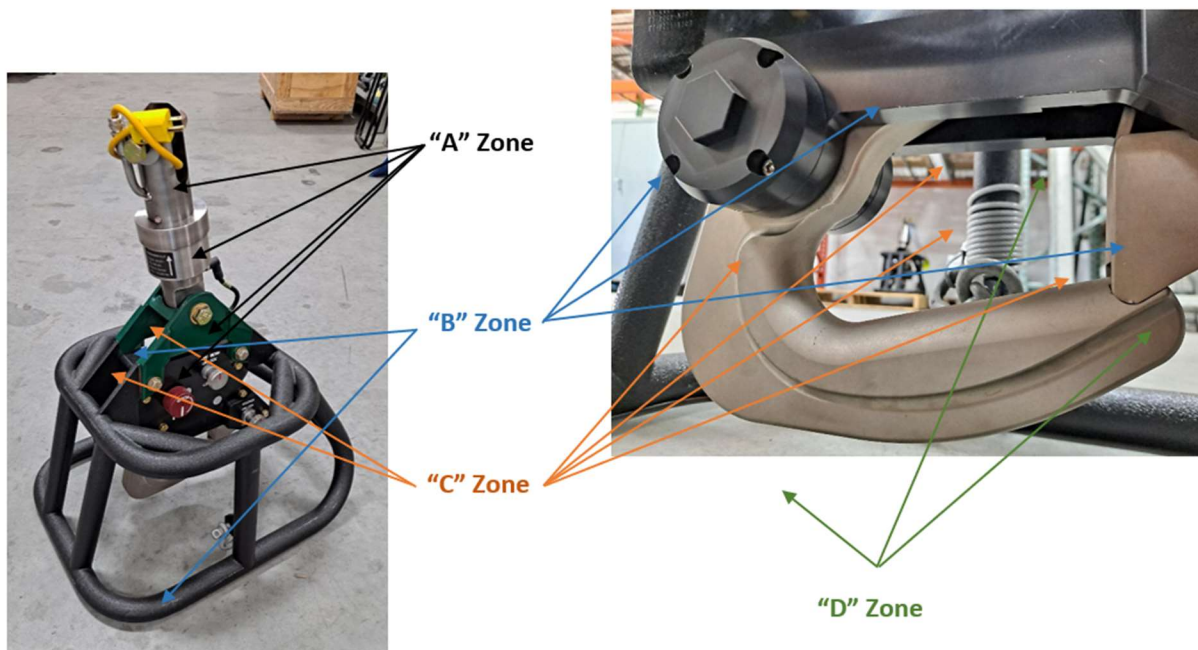


A.04.2 Steering Bar

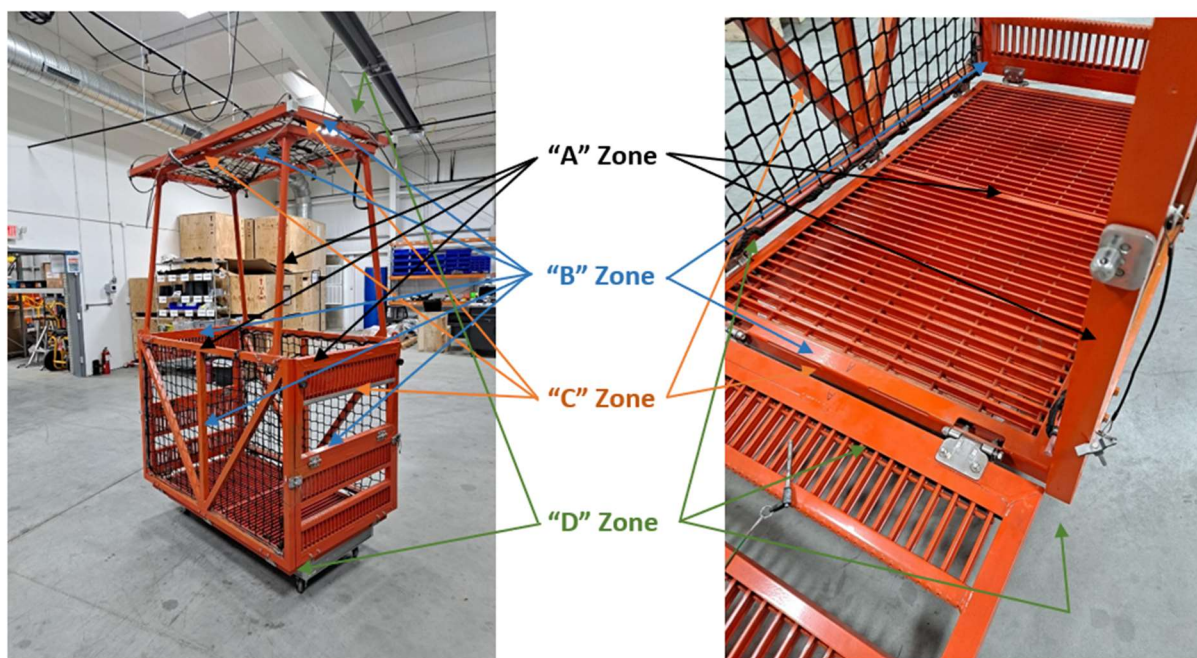


Helibasket LLC Supplier Performance Manual

A.04.3 Remote Cargo Hooks



A.04.4 Heli-Basket® (Model HB1000)



Helibasket LLC Supplier Performance Manual

A.05 Definitions, Acronyms and References

Abrasion: area damaged by scraping or wearing away that does not remove or displace material

Base Metal: bare metal used to fabricate the part

Bend Line: a mark created parallel to an edge bend (created by press brake tooling)

Bleed Out: a discolored substance that runs out of seams or holes leaving a stain

Blistering: area of air, gas or moisture entrapment that causes non-adhesion or a bubbling surface finish

Burnish Marks: marks or lines caused by friction at the surface

Burns: black or brown marks on the surface of a part caused by overheating

Burrs: a rough or sharp edge caused by manufacturing processes such as punching, shearing, milling or drilling

Chipping: area where paint or coating has been mechanically displaced from the surface

Composition: foreign particulate that has been added to the base material

Corrosion: oxidation reaction of a metal when exposed to air or contaminant

Crack: a narrow break or split in the material

Delamination: separation or peeling of a thin layer of material

Dent: a noticeable depression on a surface caused by a force or impact

Ding: surface damage similar to a dent or nick

Discoloration: unintended contrasting shade on the surface or in the material

Fisheye: a surface defect having the form of a spot or bubble

Flaking: area in which adhesion between the paint and surface is poor causing the paint to come off

Flow Marks: excess wavy or streaked appearance visible at the surface

Fracture: a break, fissure, or split

Gouge: a groove or depression caused by a sharp object that may dig into the base metal

Grease: a thick oily material that is often used as a lubricant causing shiny or glossy patches on the surface

Incomplete Fill/Cold Shot: areas of incomplete fill in the casting process

Insufficient/Excess Coverage: too much or too little paint or coating

Mark: a visible impression of something such as a line, cut, dent stain, or bruise that remains visible even after coating

Nick: a small notch, groove, or chip that is cut into a part or dented into a material

Orange Peel/ Orange Skin: a paint defect caused by improper painting or drying which leaves a rippled or

mottled appearance on the surface similar to the appearance of the surface of an orange

Overspray: excess paint or other coating that spreads beyond the designated area

Oxidation: a coating of rust that leaves a discolored area on the surface

Peeling: area where adhesion between paint and surface is poor causing paint to strip or rip off.

Pits: small craters on the surface

Porosity: a collection of multiple small voids or air bubbles in a material that shows on the surface as one or more voids or bubbles

Rainbow Effect: discoloration causing a colored appearance

Ripples: small undulations, ruffles or folds on a surface

Runs: area of excess paint that is noticeably thicker and flowed downward before drying

Helibasket LLC Supplier Performance Manual

Rust: an area of corrosion or oxidation on a metal surface

Scratch: a long, narrow (less than 0.015" wide) mark on the surface deep enough to catch the fingernail

Scuff: a light mark caused by scraping or wear that can be seen but not felt

SDR (Supplier Deviation Request): a request initiated by the supplier to deviate from purchase order technical requirements (drawings, specifications, engineering instructions, etc.) or the approved qualification package. (See Appendix A)

Short-Shot: molded part that is incomplete because of insufficient material injected into mold

Split: a cleaved area in a section of material

Stains: a discoloration produced by foreign material having reacted with the surface or base material

Standard Mill Finish: ASTM- B209 defines Standard Mill Finish as, "Sheet having a non-uniform finish which may vary from sheet to sheet and within a sheet, and may not be entirely free from stains or oil."

Federal Specification QQ-A-250/8 defines Mill Finish Workmanship as follows: "The plate and sheet should be uniform in quality and condition; clean, sound, smooth, commercially flat, and free from buckles, blisters, and other injurious defects within the limits consistent with the best commercial practice. Discoloration due to thermal treatment should not be cause for rejection.

Tooling Marks: impact from a tool during the fabrication process

Voids: an empty space, gap or opening in a material

Water spots: residue or discoloration remaining after water on the surface dries

Weld Line: area where molten plastic flows come together during injection molding without knitting together leaving a mechanically weaker area

Welded Area showing burn: black area where welding process had excess heat or soot on the surface

Supplier Acknowledgement

Signature: _____

Name: _____

Title: _____

Date: _____