Woodward Canada Inc

Woodward Canada Inc.

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Supplier Quality Requirements Manual (SQRM)

Manual Revision Number ______V______
Date of Issue: 2025-09-12

Woodward Canada Inc

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Revision History Table

Revision No.	Change Description	Date of Issue
A	Initial release	2007-10-26
B	Updated to current practices	2012-10-30
C	Added the following sections 1.4, 1.12.3 and 7.5.1.2(ii)	2014-11-12
D	Removed Table 1.0 (Commodity Group Specific Requirements) Added Sections 1.5, 1.6, 1.7, 1.11 and Table 1.0 (Quality Clauses) Revised Section 8.4	2015-08-23
E	Re-write (Added Special Process Requirements)	2017-01-12
F	Re-organized the sequence of requirements for improved clarity **Added** 1.9 Quality System Changes 1.10 Sale, Relocation, Closure or Transfer of Manufacturing Operations 1.13 Risk Management 1.16 Counterfeit Parts/Material Prevention 1.17 Government/Industry Data Exchange Program ("GIDEP") Membership 1.23 Process Changes **Revised** 1.1 Introduction 1.12 Supplier Responsibilities 1.15 Batch Traceability 1.18 Competence and Awareness Training 1.25 Foreign Object Debris/Damage 1.26 Calibration 1.28 Supplier Non-Conformance 1.30 Supplier Corrective Action 1.37 Records Appendix A – Q3 Material Traceability Appendix A - Q17 – Dimensional Inspection Report	2017-04-17
G	**Updated** **1.12 Supplier Responsibilities**, to define that the supplier and their external provider's personnel be aware that they contribute to the conformity and safety of aerospace products. **1.30 Supplier Corrective Action**, to define that suppliers should take Human Factors into consideration when determining root cause and CA.	2018-02-14
H	**CURRENT: 1.25 FOREIGN OBJECT DEBRIS/DAMAGE** The supplier shall implement and maintain a Foreign Object Damage / Foreign Object Debris (FOD) prevention program in accordance with National Aerospace Standards NAS-412. **UPDATE: 1.25 FOREIGN OBJECT DEBRIS/DAMAGE** The supplier shall implement and maintain a Foreign Object Damage / Foreign Object Debris (FOD) prevention program in accordance with **AS9146 Foreign Object Damage (FOD) Prevention Program - Requirements for Aviation, Space, and Defense Organizations**	2018-10-17
J	Added Q11 and Section 1.21 Digital Product Definition Requirements (PDD/ DPD)	2020-05-13
K	Removed Q16 from Appendix A	2020-06-02
L	• Re-organized Sections for improved clarity • Added 1.16 ETHICS, 1.17 PRODUCT SAFETY & CONFORMITY. • Revised section 1.30 COUNTERFEIT MATERIAL/SERVICE PREVENTION & DETECTION for improved clarity	2020-10-06

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Revision No.	Change Description	Date of Issue
M	Updated 1.2 Supplier Quality Management System	2020-10-20
N	• Added Q16 clause referencing limited shelf life material. Removed placeholder email in contact information section. • Clarified allowance of trays as an acceptable form of packaging under Q8	2022-02-23
P	• General Editorial changes, typo corrections, and improvement to langue throughout. •) • Revised contact info, titles, positions, etc. throughout documents • date code issue from aging date codes in Q19 • Revised 1.2 Supplier QMS Reqt to be in alignment with QAI 4-4 • Revised 1.12 regarding supplier report cards in alignment with QAI 4-4 • Revised 1.33 Consolidated Concessions & Queries into one sect. • Revised 1.35 • Revised 1.36 to eliminate Short/Long term CA and bring in line with QAI 13-1 • Revised Q19 to allow for mixed date codes only if accompanied by a signed concession • Revised Q13 to manage aged date codes for independent distributor to separate mixed • Added para 'g" to Section 1.30.1" • Added Sect for U.S Govt. Property and incorporated FAR 52.245-1 • References to forms and Q Codes throughout	2023-03-09
R	• Revised Page 1 & 1.34 to update the contact email to a general Supplier Quality Inbox • Revised 1.12 Supplier Monitoring to reflect new KPI calculations and scorecards	2024-11-08
T	• Add Quality Clause 21 for Calibration • Update Supplier Monitoring Metrics • Update table in section 1.2 • Update Supplier Approval Criteria	2024-11-20
U	• Updated table in Supplier QMS to exclude Safran sister companies • Updated Supplier Monitoring Matrices • Updated Inspection and Verification • Updated Special Processes • Updated Process Changes • Updated Process for NC Product Return and Charge-Back • Updated Record Retention Duration and Disposition Requirement • Updated Quality Clause 10 for Visual Inspection Spec. • Updated Quality Clause 16 for Shelf Life Requirements • Updated Quality Clause 20 for Electronic Assemblies and Components • Updated Quality Clause 21 for Calibration	2025-06-27
V	• Update name from Safran Electronics & Defense Canada to Woodward Canada Inc.	2025-09-12

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1.1 INTRODUCTION

This manual defines the Supplier Quality Requirements for all Material and/or Services supplied to Woodward Canada Inc.

Sellers and Sub-Contractors shall hereafter be referred to as `Suppliers' unless otherwise specified

The Supplier Quality Requirements Manual (SQRM) becomes part of a Purchase Order (PO) or Contract Terms and Condition when specified. A Supplier acceptance of a PO or Contract that defines compliance to SQRM signifies the Supplier's agreement to comply. In case of conflict between this SQRM and any supplier terms and conditions, the SQRM takes precedence.

NOTE: The Supplier is responsible to flow down the requirements outlined in this document and on the PO to its applicable sub-tiers throughout the entire supply chain.

Suppliers that do not understand the SQRM requirements shall contact the Supplier Quality Specialist at Woodward Canada Inc. for clarification.

1.2 SUPPLIER QUALITY MANAGEMENT SYSTEM

Suppliers and Sub-contractors shall have a Quality Management System that meet the following requirements.

			Activity Sector			Required Supplier Setup Documentation	Applicable Q Clauses
			S1	S2	S3		
			Aerospace & Defence	Non-Aerospace & Defence	Other Sector		
Activity Type	A	Build to Print	AS/EN/JISQ 9100	AS/EN/JISQ 9100/ISO 9001	ISO 9001	95016_-4 Supplier Set-Up & change Form 95036_-4 Non-Disclosure Agreement QF 98120_-4 Supplier Questionnaire and Assessment ITAR/CGP Registration On-site Audit	Q2, Q9, Q11, Q12, Q14, Q17, Q20
Activity Type	B	Design to Spec	AS/EN/JISQ 9100	AS/EN/JISQ 9100	ISO 9001	95016_-4 Supplier Set-Up & change Form 95036_-4 Non-Disclosure Agreement QF 98120_-4 Supplier Questionnaire and Assessment ITAR/CGP Registration On-site Audit	TBD based on Specifications used/applied
Activity Type	C	Dealer, Stockist, Distributor	AS/EN/JISQ 9100	AS/EN/JISQ 9100	ISO 9001	95016_-4 Supplier Set-Up & change Form 95036_-4 Non-Disclosure Agreement QF 98120_-4 Supplier Questionnaire and Assessment	Q3, Q8, Q16, Q19, Q20
Activity Type	D	Independent Distributor	AS 6081/ISO 9120	AS 6081/ISO 9120	AS 6081/ISO 9120	95016_-4 Supplier Set-Up & change Form 95036_-4 Non-Disclosure Agreement QF 98120_-4 Supplier Questionnaire and Assessment	Q1, Q8, Q13, Q16, Q20
Activity Type	E	Non-Production	No mandatory Certifications	No mandatory Certifications	No mandatory Certifications	95016_-4 Supplier Set-Up & change Form	None required
Activity Type	F	Manufacturer of Catalog parts, Standard, Standardized (COTS)	ISO 9001	ISO 9001	ISO 9001	95016_-4 Supplier Set-Up & change Form 95036_-4 Non-Disclosure Agreement	Q3, Q8, Q16, Q19
Activity Type	G	Calibration	ISO/IEC 17025	ISO/IEC 17025	ISO/IEC 17025	95016_-4 Supplier Set-Up & change Form QF 98120_-4 Supplier Questionnaire and Assessment	Q7, Q21

1.3 CHANGES TO QUALITY MANAGEMENT SYSTEM:

The supplier shall notify the Woodward Canada Inc. Supplier Quality Specialist, in writing, within 10-days of any of the following:

1. Change in Supplier or Sub-Tier Quality System status; or
2. Loss of third party registrar's certification status; or
3. Change in Supplier or Sub-Tier quality organization, processes or procedures that are known to affect or could potentially affect conformity of any item.

1.4 RIGHT TO ACCESS

Woodward Canada Inc., its Customers and Regulatory Authorities reserve the right of access to the applicable areas of the Supplier's facilities, and its sub-tiers, involved in order to review the progress of work, review applicable supporting records and perform required audits as per AS9100 standard.

1.5 QUALITY CLAUSES

Appendix A of this manual provides a definition list Quality Clause requirements. Quality Clauses are stated on Supplier POs when deemed applicable by Woodward Canada Inc. for the product or service being procured. When a Quality Clauses is defined on a Supplier PO it becomes part of contract Terms and Conditions.

1.6 DODD-FRANK - CONFLICT FREE MINERALS

Woodward Canada Inc. expects its suppliers to be compliant to Section 1502 of the Dodd-Frank act that requires companies that file Exchange Act reports to disclose information about the use of conflict minerals that originate in the Democratic Republic of the Congo (DRC) and its adjoining countries. Any change in reporting requires immediate communication to Woodward Canada Inc. using the latest revision of the RMI Conflict Minerals Reporting Template (CMRT).

1.7 REACH: REGISTRATION, EVALUATION, AUTHORIZATION, AND RESTRICTION OF CHEMICALS

When materials are procured for incorporation into a Woodward Canada Inc. product used in the European Economic Area, the supplier will be requested to identify any 'Substances of Very High Concern' (SVHCs) as defined in the Candidate List under European Union Regulation (EC) No 1907/2006.

Upon request, the Supplier shall:

i. Provide to Woodward Canada Inc. at no charge, information regarding the identified chemical's name by CASRN, amount contained, total part weight and safe usage information, and

ii. Permit Woodward Canada Inc. to disclose such information to the customer or regulatory authorities for the purpose of compliance with the REACH regulation. If at any time the product's chemical composition changes after a response is provided, Seller is required to provide Woodward Canada Inc. with the revised information. The current Candidate List chemicals can be found on the European Chemicals Agency's (ECHA) website.

1.8 CONTROLLED GOODS PROGRAM (CGP)

CGP products will only be awarded to Suppliers that are CGP certified.

When CGP is a contract requirement, Suppliers shall only subcontract to Sub-Tier Suppliers that are also CGP certified and approved by Woodward Canada Inc.

NOTE: Woodward Canada Inc. may have contracts governed by the United States International Traffic in Arms Regulations (ITAR). ITAR may impose additional restrictions on Suppliers in regards to access to Woodward Canada Inc. goods and technology by certain dual nationals and third-country national employees. Such restrictions will be made known to the Supplier at the onset of the proposal/quote request so the restrictions can be reviewed and addressed.

1.9 HEALTH, SAFETY & ENVIRONMENTAL STANDARDS

Woodward Canada Inc. is committed to supporting Health, Safety & Environment (HSE) standards to protect our people, facility and environment. Woodward Canada Inc. has defined four minimum expectations (listed below) that all Woodward Canada Inc. Suppliers are expected to comply with or take effective efforts to become compliant by:

1. Safe working conditions for all employees, customer and contractors.
2. Comply with all applicable national, regional, state and local laws and regulations governing HSE.
3. Limit the use of natural resources and promote sustainable natural resource practices.
4. Extend and communicate these HSE requirements to their employees and suppliers.

1.10 GOVERNMENT/INDUSTRY DATA EXCHANGE PROGRAM (GIDEP) MEMBERSHIP

Suppliers eligible for GIDEP membership are required to become a member and monitor Alerts for the relative materials they procure/supply.

1.11 SUPPLIER APPROVAL CRITERIA

Suppliers are evaluated on their ability to satisfy Woodward Canada Inc.'s requirements applicable to the Material and/or Service under consideration.

Initial contact requires a Supplier Self-Audit Questionnaire be completed and submitted to the Woodward Canada Inc. Procurement team along with copies of the supplier's applicable Quality Management System certifications. The supplier must provide required certifications based on chart shown in section 1.2. The supplier must send updated certifications as required, and notify Woodward Canada Inc. of any lapse or revoked certifications. Only once the Supplier Self-Audit Questionnaire has been approved and signed off internally, all required certifications have been verified, and any additional listed required documents from section 1.2 have been completed, can the supplier be approved. If deemed necessary, an on-site audit may be completed as part of the supplier approval. Manufacture of complex products or components (e.g.: metal works, printed circuit boards (PCB), and sub-contracted Printed Wiring Board (PWB) assemblies) may require an on-site Quality System or Process Audit prior to approval. Subcontracted manufacturing operations are included in this category.

1.12 SUPPLIER PERFORMANCE MONITORING

Suppliers' performance is monitored and evaluated monthly based on the following KPIs:

Supplier Category	KPI	Target	Weight for OS
All Suppliers under scope of Woodward Canada Inc. QMS	On-Time Delivery (OTD – 6MM)	90 %	15%
	Item Escape Rate (IER – 6MM)	1,000 PPM	15% (1-(IER/10^6))
Scorecard Eligible Suppliers	Delay aVerage (DV)	5 Days	10% (1-(DV/15))
	BackOrder Average Age (BOAA)	10 Days	10% (1-(BOAA/30))
	Concession Rate (CR – 6MM)	10,000 PPM	10% (1-(CR/10^6))
	High Impact Escape (HIE)	0 Event	30% (1-HIE)
	Responsiveness (R)	0 Event	10% (1-R)
	Overall Score (OS – 6MM)	93 %	--

6MM = 6 Month Mean

- On-Time Delivery (OTD); Order lines delivered on-time vs. total order lines delivered by the supplier during the period. Order line is considered on-time if received within 2 days early and 1 day late time-frame, while fulfilling 100% order fill rate.
- Item Escape Rate (IER); Defective quantity under supplier liability vs. total quantity delivered by the supplier during the period.
- Delay aVerage (DV); Average delay in order lines delivered completed and late.
- BackOrder Average Age (BOAA); Average delay in overdue order lines by end of the period.
- Concession Rate (CR); Quantity delivered under concession vs total quantity delivered by the supplier during the period.
- High Impact Escape (HIE); The number of supplier's non quality events exported to Woodward Canada Inc. customers.
- Responsiveness (R); The number of events where supplier fail to respond to any Woodward Canada Inc.'s queries and /or action items in a timely manner.
- Overall Score (OS): Weighted average of KPIs stated above.

Scorecard Eligible Suppliers:

The yearly Supplier Report Card (95065_-4) is communicated to Supplier via email in January for Build-To-Print, Build-To-Spec, Dealer, Stockist, Distributor, and COTs Suppliers (refer to activity type chart above) that are certified to a QMS standard (ISO9001, AS9100 etc.). Supplier shall keep track of Overall Score (OS), On-Time Delivery (OTD) and Item Escape Rate (IER).

1.13 SUPPLIER DISQUALIFICATION CRITERIA

Suppliers/Sub-contractors may be removed from the Approved Supplier Directory under the following circumstances;

- Unsatisfactory quality and/or delivery performance
- Failure to respond to Corrective Action (CA) Requests
- Unsatisfactory audit results
- Use of unapproved parts, processes and/or Sub-Suppliers
- Providing counterfeit or fraudulent parts
- Changes in manufacturing or processing capability
- Lack of business activity for an extended period

1.14 SUPPLIER RESPONSIBILITIES

The Supplier is solely responsible to ensure that the product or service they supply to Woodward Canada Inc., complies with all requirements defined in the PO, Technical documents and SQRM.

No deviations from the defined requirements in PO, Drawing, Technical Documents or SQRM are permitted without prior written approval by way of a Woodward Canada Inc. Supplier Concession form (QF 95030_-4).

1.15 RISK MANAGEMENT

The Supplier shall establish a risk management program in accordance with the guidelines established by SAE ARP9134 (or equivalent) to effectively assess those elements from all aspects of the business that could affect the quality of the products and/or services scheduled for delivery to Woodward Canada Inc. A copy of the Supplier's risk management program shall be available for review upon request.

1.16 ETHICS

Woodward Canada Inc. expects that our suppliers and subcontractors have and maintain a high standard of Business, Work and Social Ethics. We demand honesty and integrity in all our activities, and expect the same from our Suppliers and Customers.

This includes ensuring no bribe, gift, benefit or other inducement, directly or indirectly, is made to any official or employee of Woodward Canada Inc. or a member of the family of such a person. Any illegal or other payment in conflict with this ethics section is a material breach of this Agreement, thereby rendering it invalid.

1.17 PRODUCT SAFETY & CONFORMITY

Suppliers and subcontractors shall recognize their roles and have processes to maintain high standards of Product Safety and Conformity. This includes:

1.17.1 Understanding the importance of product safety

1.17.2 Understanding the functions of the products and service, and the way they are used by the end users;

1.17.3 Establishing processes to control product safety and conformity, including lower level subcontractors and vendors; and

1.17.4 Training company personnel in their roles with respect to product safety and conformity.

1.18 COMPETENCE AND AWARENESS TRAINING

The Supplier shall ensure that all personnel and Sub Tier Suppliers are sufficiently trained and qualified for the activities they perform.

1.19 FOREIGN OBJECT DEBRIS/DAMAGE

The supplier shall implement and maintain a Foreign Object Damage / Foreign Object Debris (FOD) prevention program in accordance with AS9146 Foreign Object Damage (FOD) Prevention Program – Requirements for Aviation, Space and Defense Organizations.

1.20 DIGITAL PRODUCT DEFINITION REQUIREMENTS (PDD/DPD)

When design requirements are in a DPD/ PDD model and traditional 2D drawing information is not available for all applicable design requirements or is not enough to manufacture the part, DPD design characteristics required for product realization shall be extracted by supplier, verified, and included in the FAIR.

PDD/DPD characteristics shall be extracted when:

a) Not all design characteristics are declared on the 2D drawing and 983-8000-001 is on the drawing.

b) Drawing requires the use of "Electronic dataset or database" for product definition and there are features that are not declared in the 2D drawing and a general note is included controlling all non-dimensioned features, or un-toleranced dimensions.

Reporting PDD characteristics on FAIR:

a) The supplier shall define all design characteristics, including those characteristics included on the 2D drawing as well as the associated CAD file.

b) Refer to AS/EN9102 for details on reporting Digital Product Definition (DPD) or PDD characteristics.

c) Every extracted design characteristic must have a unique identifier and pictorial depiction of the relative location of those characteristics (referred to as "graphics"). Those extracted characteristics shall be reported in Form 3, with their unique identifier, and the "graphics" shall be included as attachments in the FAIR as applicable.

d) "Graphics" typically entail, but are not limited to, a CAD model screen shot, scanned image, 2D drawing with additional notes or information, internal inspection or production drawings, etc., that provides traceability to each extracted design characteristic.

e) Regardless of how characteristics are extracted or assigned, all surfaces must be represented in the inspection data presented in the FAIR.

1.21 INSPECTION AND VERIFICATION

First Article Inspection (FAI):

Quality Clause Q12 – FIRST ARTICLE INSPECTION is a generic statement on Build to Print POs

The Supplier shall prepare and submit an FAI report for initial production runs. The FAI report shall be in accordance with the latest revision of AS9102 (Aerospace First Inspection Requirements).

NOTE: Suppliers are required to repeat an FAI or delta FAI under the following conditions:

a. A change affecting fit, form or function of the part.

b. A change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling or materials, that can potentially affect fit, form or function.

c. A change in numerical control program or translation to another media that can potentially affect fit, form or function.

d. A natural or man-made event, which may adversely affect the manufacturing process.

e. A two year lapse in production.

The FAI report must contain variable data for 100% of all drawings characteristics and account for 100% of all other features such as drawing notes and processes and must be representative of production processes actually used.

The Supplier shall retain a copy of the AS9102 FAI Report as evidence of FAI approval.

Production Inspection:

Supplier shall implement inspection activities at quality gates (in-coming, in-process and final inspection etc.) with an inspection frequency appropriate for product and its characteristics. Control charts should be implemented for key characteristics.

Process Verification:

First off and last off parts shall be inspected to each batch production run. Error proofing devices/methods shall be used when possible, and verified per an established frequency.

1.22 SPECIAL PROCESSES

All special processes defined on the PO, Technical documents or specifications must be performed by a NADCAP Certified source unless otherwise directed by Woodward Canada Inc. Quality Clause ‘Q9 - SPECIAL PROCESSES’ will be stated on the POs.

Special Processes include but are not limited to the following:

- Surface Conditioning
- Surface Coating
- Thermal metal conditioning
- TIG Welding
- MIG Welding
- Brazing
- Electronic Component: Soldering with soldering iron
- Electronic Component: Wave Soldering
- Electronic Component: Reflow Soldering
- Electronic Component: Bonding
- PCB: Material Lamination
- Harness Assembly
- X-ray inspection for electronic boards
- Electronic Component: Soldering rework
- PCB: Finishing
- PCB: Plating
- PCB: Drilling
- Varnishing and coating of electronic boards
- Coating – Thickness
- Dyed nG Sulfuric Acid Anodizing
- CrVI free stainless steel and nickel alloys Passivation
- Bronze plating
- Copper plating
- Gold plating

- Tin plating
- Electroless nickel
- Electrolytic nickel
- Nickel plating
- Cadmium plating
- Chromium Hexavalent plating

1.23 PROCESS CHANGES

For those changes that do not affect either form, fit, function, weight, reliability, interchangeability, maintainability or safety of the items, supplier shall inform Woodward Canada Inc., and shall promptly proceed on its own to implement them. This notice of change shall include, as a minimum, description, justification and effectivity of change. For configuration control, if requested by Woodward Canada Inc., Supplier shall change the part numbers of the Items.

For those changes that affect either form, fit, function, weight, reliability, interchangeability, maintainability or safety of the items, supplier shall immediately submit a complete detailed Supplier Change Notification Form (QF 98220_-3) for review and approval of Woodward Canada Inc. This notice of design change shall include, as a minimum, description of change and proposed effectivity. In addition, any change requiring the issuance of a service bulletin or a service information letter shall be fully documented with applicable illustrations. In all cases, Supplier shall change the part number and harmonize the effectivity with Woodward Canada Inc.

Note: The Supplier Change Notification Form (QF 98220_-3) can be obtained through the Woodward Canada Inc. Supplier Quality Specialist.

1.24 DOCUMENT CONTROL

The Supplier shall sufficiently control all drawings, specifications and supplemental instructions to ensure only the latest revisions are utilized.

1.25 CONFIGURATION MANAGEMENT

The Supplier shall establish, document and maintain a configuration management process appropriate for the product.

1.26 LOT TRACEABILITY

All items on the purchase order must be traceable to the raw material Lot/batch # and source from which it was produced

ABSOLUTE TRACEABILITY: Lot traceability and identification such as serialization of items on an order must be ensured and maintained at all times. All items must be traceable to all processes to which they have been subjected.

NOTE: The traceability requirements defined in this section do not apply to product or services that support production and not intended for use in the end product (e.g. shipping materials, test aids).

(Quality Clause Q3 Material Traceability will be stated on the PO when applicable)

1.27 CALIBRATION:

Supplier shall maintain a documented calibration system for the calibration and maintenance of tools, jigs, inspection and test equipment with traceability to National Institute of Standards and Technology (NIST).

1.28 SALE, RELOCATION, CLOSURE OR TRANSFER OF MANUFACTURING OPERATIONS:

Seller shall notify Supplier Quality Specialist and Procurement Specialist, in writing, at least 90-days in advance of any sale, relocation, closure, or transfer of Seller's manufacturing operations (subject to any legal or regulatory restrictions). Seller shall include the following, as a minimum, in the written notification:

- Purpose of the relocation,
- Address of the new location(s),
- Assessment of actual or potential impact to current POs,
- Risk mitigation plan to ensure compliance to existing requirements,
- Plan defining the identification, storage, protection, retrieval and retention of records,
- Master schedule and timeline of relocation activities, and
- Relocation Coordinator/Point of Contact

NOTE: Woodward Canada Inc. approval of change(s) does not absolve the supplier for the liability of non-conforming product.

1.29 SUBSTITUTION AND SUBCONTRACTING

The Supplier may not make substitutions of materials, processes (if different from the original specification, drawing or data) without written acknowledgment and approval from Woodward Canada Inc.

The Supplier shall not transfer work to a subcontract supplier without prior written approval from Woodward Canada Inc.

1.30 COUNTERFEIT PARTS / MATERIALS PREVENTION:

"**Counterfeit Work**" means Work that contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

"**Suspect Counterfeit Work**" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.

1.30.1 Suppliers shall establish and maintain a Counterfeit Prevention and Control Plan (CPCP) using AS-5553 and/or AS6174 (Ref. elements of Section 3) to ensure counterfeit material/service is not delivered to Woodward Canada Inc. The Suppliers plan shall be a robust, risk-based process to control and prevent the delivery of counterfeit or suspect counterfeit material/services to Woodward Canada Inc.

Supplier's CPCP shall document the processes used to prevent, detect, mitigate, disposition, and report suspected or confirmed counterfeit parts / materials or assemblies.

a. Supplier shall only purchase parts/materials from authorized sources of supply. Authorized sources of supply include the Original Component Manufacturer (OCM), the Original

Equipment Manufacturer (OEM), the OCM/OEM authorized distributor chain, and sources with the express written authority of the OCM/OEM.

b. Supplier's processes shall include the means to provide supply chain traceability to the OCM/OEM, including the name and location of all the supply chain intermediaries from the manufacturer to the direct source of the parts/materials. If traceability is not obtainable, prior to delivery, Supplier shall provide written notice to Woodward Canada Inc. that includes records of evidentiary tests and inspections performed and conformance of the parts/materials to specified acceptance criteria that assures authenticity.

c. Supplier shall only acquire Work from independent distributors or brokers in cases of Diminishing Material Supply (DMS) or obsolescence and Woodward Canada Inc. has provided advanced written approval. Such acquisitions shall be subject to a screening process appropriate to the parts/materials in accordance with Suppliers CPCP.

d. Supplier shall immediately notify Woodward Canada Inc. if they become aware or suspects that they have furnished Counterfeit Work. Any suspect counterfeit material/service shall be treated as Nonconforming Item(s).

e. Supplier eligible for utilization of the Government-Industry Data Exchange Program (GIDEP) shall utilize the GIDEP process to alert the industry of encountered counterfeit parts/materials.

f. Supplier shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of parts/materials that will be included in or furnished as Work to Procurement Specialist.

g. All Independent Distributors are required to provide a testing report to AS6081 Level A1 to A6. For components greater than 4-years, solderability testing is also required. Additional tests may be requested, e.g. metering for capacitors and resistors, confirmation that programmable devices are blank, functional tests etc. where possible.

1.31 PRESERVATION OF PRODUCT

The Supplier shall ensure:

i. Special handling and packaging requirements shall be met for sensitive materials. This includes but is not limited to Electrostatic Discharge (ESD), Moisture Sensitive Level (MSL) and temperature sensitive material controls. Temperature sensitive materials shall not to be shipped over the weekends or holidays.

ii. Life limited material is properly identified, monitored, and maintained at the supplier level. Life limited items shipped to Woodward Canada Inc. must be accompanied by a CofC stating the date of manufacture, lot number, and expiration/cure by dates. All life limited items must meet the requirements of Q16

iii. All packaging and shipping containers are sufficient to withstand in-transit handling, stacking and subsequent storage in normal environment conditions.

iv. Divided containers or individual packaging (etc.) are used for material susceptible to damage from part-to-part contact.

1.32 CERTIFICATE OF COMPLIANCE

A CofC from the Supplier must accompany any shipment and be signed by a responsible member of the supplier's Quality Organization and state the parts conform in all respect to the PO/Contract, drawings and applicable specifications.

The CofC must contain the following information:

- Supplier's company name

- Woodward Canada Inc. PO number
- Part number and revision level (as described on the Woodward Canada Inc. PO)
- Drawing and/or specification number(s) and revision(s)
- Material Specifications
- Applicable process specification and revision status,
- All special requirements stated on the PO
- Waiver or Deviation approved by Woodward Canada Inc. (If applicable)
- Serial number(s)/date code/lot number(s) as applicable
- Quantity shipped
- Statement of traceability to the raw material from which they were produced and/or processes to which they have been subjected

When required by PO contract the supplier must acknowledge and confirm that all sources of supply and manufacturer of materials were from Woodward Canada Inc. approved suppliers. In the event the supplier breaches this requirement, Supplier shall assume sole and exclusive risk, all liability and expense whatsoever without limitation in the removal re-supply and/or replacement of such materials from approved sources for the item(s) in question. Further in the event of such breach, Woodward Canada Inc. expressly reserves all right and remedies if any, provided by the purchase order, in equity or at law.

1.33 SUPPLIER QUERY & CONCESSIONS

QUERY

Supplier Queries can be used to request formal clarification or additional information from Woodward Canada Inc. This includes but is not limited to the following:

i. Clarification and/or change to drawing, quality or other technical documents forming part of a Woodward Canada Inc. PO.

ii. Pertinent manufacturing process information to contract operations.

iii. Clarification on scope of work

iv. Communication of product, process or process changes.

Supplier Query form (QF 95017_-4) or a Supplier equivalent form shall be forwarded to the attention of the Woodward Canada Inc. Procurement Specialist for processing.

Note: The Supplier Query form (QF 95017_-4) can be obtained through the Woodward Canada Inc. Procurement Specialist.

CONCESSION

A Supplier Concession is the method to request review and disposition of non-conforming material detected at the Supplier's facility.

Supplier Concession form (QF 95030_-4) or a Supplier equivalent form detailing the concession request shall be forwarded to the attention of the Woodward Canada Inc. Supplier Quality Specialist for review and response.

Note: Suppliers must submit a copy of the Woodward Canada Inc. approved Supplier Concession (QF 95030_-4) with all relative shipments.

1.34 SUPPLIER NON-CONFORMANCE

Suppliers shall not ship any non-conforming items to Woodward Canada Inc. without prior written approval in the form a Concession/Waiver. Concession requests shall be directed to supplier quality specialist with the procurement specialist on copy.

Supplier shall notify Woodward Canada Inc. Quality immediately of any confirmed Non-Conformances escapes.

Non-conforming material detected at Woodward Canada Inc. shall be documented in a Non-Conformance Report (NCR) and submitted to the Supplier for review and action to prevent recurrence. When non-conforming material is rejected and returned under an RMA, supplier shall issue a credit note for it as soon as the material is received by supplier, before determining whether it is supplier's liability. Should it be determined that it is Woodward Canada Inc.'s liability, then Woodward Canada Inc. shall cover the material cost and also rework cost if needed, in which case supplier's packing slip shall refer to both lines (material cost line and rework cost line) of PO(s) when delivering reworked parts back to Woodward Canada Inc..

Note: Supplier may be charged all costs incurred due to non-conforming material that is determined to be supplier's liability. Apart from the material cost, administrative cost and consequential costs may be charged back to supplier. This includes but not limited to cost of sorting, rework and testing. Cost of other affected material rendered unusable, production hours lost, expedite and any cost that Woodward Canada Inc.'s customer charge, may also be included.

Repeat or significant Non-Conformances will result in a Supplier Corrective Action Request (CAR).

Supplier disposition of non-conformance that affects product form, fit or function, interchangeability, Critical Safety Characteristic (CSC) related to Critical Safety Item (CSI) service life or reliability are limited to SCRAP and REWORK to engineering specifications.

Any REPAIR of non-conformance to meet Woodward Canada Inc. drawing specification must have prior documented approval by Woodward Canada Inc. (See Rework Vs Repair Definition below)

- **Rework** - The act of reprocessing non-complying articles, through the use of original or equivalent processing, in a manner that assures compliance of the article with applicable drawings or specifications.
- **Repair** - The act of restoring the functional capability of a defective article in a manner that does not assure compliance of the article with applicable drawings or specifications.

Supplier's continued processing shall be limited to subsequent operations that do not hide, alter or limit the ability to inspect, disposition or repair the Item(s) unless the Supplier has received written approval from the Supplier Quality Specialist.

1.35 SCRAP MATERIAL

Supplier scrap material identified with the Woodward Canada Inc. name or Logo shall be destroyed and disposed in accordance with any applicable export control regulation and in a manner that protects the proprietary design of Woodward Canada Inc., and prevents the unauthorized use thereof by any third party.

1.36 SUPPLIER CORRECTIVE ACTION

Woodward Canada Inc. will issue suppliers a CAR under the following conditions:

i. Supplier Audit Finding

ii. Significant and/or repeat non-conformance of a product or service

iii. Quality or Delivery performance targets are not achieved

Note: If a CAR is issued for repeat non-conformances, a separate CAR for not meeting IER target may not be issued.

The Supplier shall initiate the necessary Root Cause investigations, taking into consideration Human Factors as applicable and ensure effective corrective and preventative actions are implemented to minimize or eliminate non-conformances.

Suppliers shall evaluate each nonconformance for its potential to exist in previously produced items and notify Woodward Canada Inc. Supplier Quality in writing of any suspect Items in transit or delivered to Woodward Canada Inc. Procurement team in accordance with the following:

i. Within 24 hours of the Supplier's discovery of a potential or verified non-conformances that could impact product safety.

ii. Within 5 working days of Supplier's discovery of all other potential or verified non-conformances.

Suppliers shall provide trend analysis data to Woodward Canada Inc. upon request and assess all identified non-conformances, whether or not Item(s) were returned to Supplier, and take appropriate actions to ensure causes of non-conformance are corrected.

The Supplier shall notify the Supplier Quality in the event a returned Item is inspected and/or tested and the Supplier is unable to verify a reported non-conformance. The supplier shall NOT return non-verified failure Item(s) unless authorized by Supplier Quality Specialist.

Supplier CA Requests shall be completed in accordance with the following time line.

- Containment Action – within 24hrs
- Root Cause Analysis – within 30 days
- Corrective Action Implementation – within 60 days.

In the event a Supplier cannot comply with the above stated timeline they shall contact the Supplier Quality Specialist to explain the reason for delay and request an extension.

Supplier Root Cause and CAs shall address TWO things:

1. Why was the defect initially produced?
2. Why was the defect not detected by the current process controls and subsequently shipped to the Customer?

Woodward Canada Inc. shall review and approve all suppliers CAs for closure and reserves the right to perform an on-site quality audit as necessary.

Ineffective Supplier CAs may result in the immediate suspension or withdrawal of all purchase orders and/or contracts.

Woodward Canada Inc. reserves the right to schedule an onsite review at the Supplier or related Sub-Tier Supplier's facility with the option of performing a process audit.

1.37 CUSTOMER PROPERTY

The Supplier shall:

i. Identify and safeguard Woodward Canada Inc. property provided for use or incorporation into the product. Woodward Canada Inc. property can include intellectual property, including Woodward Canada Inc. furnished data used for design, production and/or inspection.

ii. Ensure measuring and test equipment provided by Woodward Canada Inc. or their Customers is inspected for damage prior to use.

iii. Contact the Supplier Quality Specialist to obtain written authorization prior to repair/ modification of Woodward Canada Inc. owned tools, fixtures, and test equipment etc.

1.38 U.S GOVERNMENT PROPERTY (FAR 52.245-1)

Woodward Canada Inc. may have contracts governed by the United States FAR 52.245-1 – Government Property. This may impose additional requirements on Suppliers in regard to records, inventory management, & reporting of goods and technology. Such requirements will be made known to the Supplier at the onset of the proposal/quote /request and noted on the PO comments.

The Supplier shall ensure:

i. To use the property only for the accountable purchase order.

ii. While in possession of government property, the Supplier is responsible and may be liable for loss, theft, damage or destruction of property.

iii. All incidents of loss, theft, damage or destruction will be reported to Woodward Canada Inc. within one (1) business day upon discovery. After the initial notification, a detailed report on the incident must be sent to Woodward Canada Inc. within ten (10) days.

iv. It performs physical inventories of all United States Government Property annually, and when requested, shall provide the written results of those inventories to Woodward Canada Inc.

v. United States Government personnel or their designated agents will be provided with reasonable access to its facilities and to United States Government Property.

vi. All preventive maintenance and/or calibrations are performed (as required). Suppliers will also create and maintain up-to-date registers recording all maintenance/calibration activities.

vii. All records pertaining to work performed on U.S. Government property must be kept on file for a minimum of four years after completion of work.

viii. It has an approved Property Management Plan in place. This plan must be approved by Woodward Canada Inc., and will govern the subcontractor's procedures with respect to government property. In the absence of an approved plan, they will use Woodward Canada Inc.'s Property Management Plan as the governing procedure. A copy of this plan will be provided upon request.

ix. The subcontractor will ensure that government property is clearly identified by use of distinctive labelling or other means. The property must be kept separated from any other material, and is to be protected against unauthorized access or usage, theft, misappropriation, or exposure to the elements.

1.39 RECORDS

Liquid paper or pencil are not permitted on quality records. The recommended format for corrections is to cross through the error with a single line, insert the correct information in an adjacent position, then initial and date the change.

Unless otherwise stated on the PO the Supplier shall retain the following records for a minimum of 10 years. (After completion of the PO.)

- Process/Equipment Qualification Data
- First Article Inspection/Test data
- Records of all work performed and procured
- Inspection & Test Data
- Equipment Calibration and Preventative Maintenance Data
- Nonconforming material, Dispositions, Corrective/Preventive actions and effectiveness of corrective actions.
- Material Lot and Source Traceability Data
- Certificates of Compliance

NOTE: The Supplier shall notify the Procurement Specialist if they are unable to comply with these record retention requirements.

The Suppliers shall:

- Have a system that allows for the recall of specific production, Inspection and test records when requested by Woodward Canada Inc. and/or Regulatory Authorities.
- Upon request forward these records to the Procurement Specialist at no additional cost, price, or fee.

Companies ceasing business operations shall contact the Procurement Specialist so arrangements can be made to transfer the required records to Woodward Canada Inc..

Companies that remain in business but are no longer a Woodward Canada Inc. supplier shall maintain records or provide a copy of these records to Woodward Canada Inc. at no cost.

Supplier can dispose of records after its retention period in a manner that ensures confidentiality and non-recoverability (like shredded papers and secure deletion of digital files), unless the records are deemed to be needed in an ongoing investigation.

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APPENDIX A

Quality Clause	Requirement Definition
Q1	INDEPENDENT DISTRIBUTORS: When OEMs Certificate of Conformance is unavailable, a Component Analysis Inspection Report (CAIR) shall be provided to validate the component authenticity and reliability. The necessary testing is commodity specific and will be defined by the Woodward Canada Inc. Procurement Specialist during the quotation process.
Q2	DEVIATIONS: Suppliers shall not deviate from Woodward Canada Inc. drawings, including material and process specifications, without written authorization from Woodward Canada Inc..
Q3	MATERIAL TRACEABILITY: Supplier shall maintain supply chain traceability to the OCM/OEM, including the name and location of all the supply chain intermediaries from the manufacturer to the direct source of the parts/materials. If traceability is not obtainable, prior to delivery, Supplier shall provide written notice to the Supplier Quality Engineer and Procurement Specialist that includes records of evidentiary tests and inspections performed and conformance of the parts/materials to specified acceptance criteria that assures authenticity.
Q4	100% INSPECTION is to be carried out by the Supplier prior to shipment to Woodward Canada Inc..
Q5	SOURCE INSPECTION: Requires inspection at the Supplier's facility by Woodward Canada Inc. or by the intended Woodward Canada Inc. Customer. The Supplier is to notify Woodward Canada Inc. Purchasing Department 48 hours prior to presenting articles for acceptance by Woodward Canada Inc.
Q6	DEFECTIVE MATERIAL INVESTIGATION REPORT is required for each item returned for repair.
Q7	A FUNCTIONAL/ACCEPTANCE TEST REPORT: The supplier shall furnish/submit the test report for each item shipped and shall contain actual results of all functional tests required by the contract, purchase order, drawing, specification, or test procedure.
Q8	COMPONENT PACKAGING: Surface mount components shall be packaged on reels, full size tubes, or strips with leaders, or complete component trays (trays must not be damaged or broken). Alternate packaging methods must be approved by the Woodward Canada Inc. Procurement Specialist prior to shipping.
Q9	SPECIAL PROCESSES: Must be performed by a NADCAP certified source unless otherwise directed by Woodward Canada Inc. Please refer to SQRM section 1.22 for the list of special processes.
Q10	Woodward Canada Inc. Work Instruction WI 98-035 'General Requirements for Visual Inspection of Enclosures' is applicable to this Purchase Order.
Q11	When Design requirements are in a DPD/PDD model and the traditional 2D drawing information is not available for all applicable design requirements or is not enough to manufacture the part, DPD design characteristics required for product realization shall be extracted by the supplier, verified, and included in the FAIR. Refer to SQRM Section 1.20 for details.
Q12	FIRST ARTICLE INSPECTION (FAI) shall be performed by the Supplier in accordance with SAE AS9102 Aerospace First Article Inspection or equivalent. The FAI shall include all physical and functional characteristics defined in the applicable drawings and specifications. The specific material used for the FAI activity shall be clearly identified and accompany the FAI Report.
Q13	DATE CODES: Independent Distributors shall ship the latest date code lot(s) available. For materials older than 4 years, the supplier shall perform solderability testing in addition to testing criteria in accordance with AS6081.
Q14	CERTIFICATE OF CONFORMANCE: The supplier shall certify that the items delivered conform to the requirements of the applicable drawings, specifications and Purchase Order requirements. The certification shall be signed and dated by a duly authorized representative of the supplier.
Q15	QPL: This product is on a Qualified Product List and shall be manufactured by a company included in the listing. Distributors of products from various manufacturers shall identify the name on the Certificate of Conformance, shipping list, or shipping documents
Q16	Material with shelf life limitations shall have a minimum of 75% remaining shelf life on shipment due date or arrival date, whichever comes later. If 75% remaining shelf life cannot be met, supplier shall submit a concession prior to delivery for evaluation of acceptance based on remaining shelf life.
Q17	DIMENSIONAL INSPECTION REPORT: The Supplier shall perform a full dimensional inspection on a representative part from each batch manufactured to a Woodward Canada Inc. drawing or specification. The dimensional inspection report shall be retained by the supplier and made available to Woodward Canada Inc. upon request.
Q18	MATERIAL SAFETY DATA SHEET (MSDS) is required for all first shipments of 'Hazardous Goods'. Follow-on orders need not be accompanied by an MSDS. The Supplier is responsible for providing Woodward Canada Inc. with all MSDS

Woodward Canada Inc

Quality Clause	Requirement Definition
Q19	MIXED DATE CODES are not permitted. If material cannot be sorted by Date Code and shipped to Woodward Canada Inc. as separate lots with the quantities and date codes defined on the Packing Slip, suppliers must submit a Query Form (QF 95017_-4) and receive an approved concession prior to shipping. A copy of the approved concession must be submitted with the CofC upon delivery.
Q20	ELECTRONIC ASSEMBLIES AND COMPONENTS shall comply with the latest revision of IPC-A-610 standard – Class 3.
Q21	CERTIFICATE OF CALIBRATION: A certificate of calibration shall be included with each calibrated gauge, signed and dated by responsible technician. The supplier shall be an accredited laboratory in accordance with ISO/IEC 17025. Gauges shall be calibrated with standards traceable to National Institute of Standards and Technology (NIST) and/or National Research Council (NRC). The certificate of calibration shall contain mark of national accreditation body (logo of ISO/IEC 17025).