



1701 West Tacoma
Broken Arrow, Ok. 74012

Supplier Quality Assurance Requirements Manual

Approved:

A handwritten signature in blue ink that reads "B Sanderlin".

Bryan Sanderlin
President/COO/CEO
OSECO, Inc.

Darrel Bilke
Quality Assurance Manager
OSECO, Inc.

Record of Revisions

Revision	Date	Description of Change
Rev. NC	4-1-08	-----
Rev. A	2/6/14	Conflict Material Section

Document Overview

OSECO, Inc. is committed to continually improve the quality level of products and services received at our facility. This document will define general and specific quality requirements to meet the needs and expectations of OSECO, Inc.

The document is uncontrolled if downloaded or printed from our web site. The Supplier is responsible for maintaining the current revision of this document when providing products and services to OSECO, Inc.

For questions regarding this document contact the Quality Assurance Manager (918)-258-5626.

Purpose

The purpose of this document is a Suppliers' guide to understanding our quality requirements and expectations. This document will form a part of OSECO, Inc purchase orders.

Scope

The scope of this document applies to Suppliers who provide products and services used by OSECO, Inc. for final product purposes, such as raw material, hardware, special process service, etc.

This document does not apply to products and services considered by OSECO, Inc as non-final products and services. Non-final products are used for facility and grounds maintenance, such as office supplies and janitorial services.

Requirements listed in the engineering specifications and purchase order shall take precedence over the requirements in the Supplier Quality Assurance Manual.

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Section 1.0 Supplier Quality Management System Requirements

1.1 General Quality Management System Requirements

Supplier shall maintain a quality management system which complies with industry standards and specifications which is appropriate to the type of product or service.

OSECO, Inc strongly recommends our suppliers to be certified or compliant with the latest revision of ISO 9001. Suppliers shall provide a current copy of their certifications to OSECO, Inc.

Recommendations for Suppliers' quality management system by type of supplier:

Calibration: A2LA, ANSI-Z540-1, ISO 17025

Special Process: NADCAP AC7004, ISO 9001

Manufacturer: ISO 9001

Pass-Thru Distributor: ISO 9001, ASA 100

1.2 Changes in Quality Management System

Supplier shall promptly notify OSECO, Inc within five business days of any change in management representation, company name change, ownership, quality system, or manufacturing location. Supplier shall submit written notification to OSECO, Inc Quality Assurance Manager.

1.3 Sub-tier Control

Supplier shall flow down requirements in OSECO, Inc. purchase orders and the contents in this document to sub-tier suppliers who provide products and services which are subsequently delivered to OSECO, Inc.

1.4 Right of Access

OSECO, Inc. reserves the right to perform initial and periodic review of the Supplier's quality system to obtain objective evidence of compliance to an acceptable quality system. OSECO, Inc. may honor qualified second and third party audits to provide evidence of compliance of the Supplier's quality system.

Supplier shall provide OSECO, Inc., or regulatory agencies access to the Suppliers' facility and records related to the verification of product conformity.

2.0 Document Control Requirements

2.1 Document Management Requirements

Supplier shall maintain a document control process which ensures the latest technical data is easily identifiable and available at the point of use. The document control system must include provisions for approval, review, update and re-approval. The distribution of documents must be controlled to prevent unintended use of obsolete technical data.

2.2 Revision Control

Supplier shall be responsible for obtaining the correct revision level of technical data as specified in OSECO, Inc. purchase orders.

2.3 Document Control Audit

Supplier shall conduct an annual internal audit to ensure adequate control of engineering documentation, including drawings, specifications, datasets or other engineering media.

3.0 Control of Nonconforming Material

3.1 Documented Nonconforming Material Procedure

Supplier shall have a documented procedure to systematically identify and segregate and disposition nonconforming material to prevent unintended use or release to OSECO, Inc.

3.2 Dispositions

Supplier disposition authority is limited to:

Rework to specification

Return to supplier

Scrap

3.3 Internal Material Review

Supplier shall provide written notification to OSECO, Inc. Quality Assurance Manager for dispositions which are not listed in this section. Dispositions of product or services which affect form, fit function, safety, weight, interchangeability, or unique key characteristics require written notification to be submitted on a Material Review document for OSECO, Inc. approval.

3.4 Disclosure/Notification of Nonconforming Delivered Products

Supplier shall provide immediate verbal and written notification to OSECO, Inc. Quality Assurance Manager and Buyer of nonconforming product released from the Suppliers facility or delivered to OSECO, Inc. Supplier shall notify OSECO, Inc. within one business day when a nonconformance is determined to exist, or is suspected to exist. Notification must include product name and number, quantity, clear description of discrepancy, release date, purchase order number, and provide root cause and prevention method to correct the process for subsequent shipments.

3.5 Foreign Object Damage (FOD) Prevention Program

Supplier shall promote the awareness of foreign object damage which includes prevention, detection, removal and reporting foreign objects. OSECO, Inc. reserves the right to obtain information regarding the FOD knowledge of affected personnel.

4.0 Material Identification and Part Marking Requirements

4.1 Product Identification – General Requirements

Supplier shall mark or ensure all products to be delivered to OSECO, Inc. are identified in accordance with purchase order requirements and identifiably traceable to the Supplier. If different material lots are used during the process, the final products supplied to OSECO must have the individual material 'heat lot numbers' identified on each part.

4.2 Hardware

Hardware shall be identified by manufacturer, date of manufacture or date control number, such as the batch number, lot number, heat lot number, or serial number for traceability purposes. When size of hardware prevents individual identification, identification information shall be placed on bags, tags, or labels as applicable.

4.3 Raw Material

Supplier shall provide certifications of metallic materials which include the mill certificate or material test report (MTR). Test results must include the chemical and physical analysis for product shipped to OSECO, Inc. The supplier must maintain material heat lot traceability, when applicable, throughout the production/service and delivery of the product supplied to OSECO, Inc.

4.4 Shelf Life Materials

Supplier shall provide certification which indicates the manufacture date, lot number, expiration date or length of shelf life, and storage requirements.

5.0 Inspection Requirements

5.1 First Article Report and Approval Requirement

Supplier shall perform first article inspection (FAI) and provide documentation of manufactured products in accordance with the requirements of ISO 9001. The Supplier shall use their FAI report which complies with ISO 9001. When required by purchase order the supplier shall obtain approval on first article inspections from the OSECO, Inc. Buyer, prior to subsequent shipments to OSECO, Inc.

5.2 Release of Products and Services

Supplier is responsible for the conformity and required documentation of products released to OSECO, Inc. Supplier shall perform appropriate inspection activities to ensure product conforms to specified requirements. If the Supplier does not perform 100% inspection, prior to release, the inspection sampling plan must be approved by OSECO, Inc.

5.3 Source Inspection

OSECO, Inc. reserves the right to perform source inspection activities at the Supplier's facility. The Supplier shall ensure product is not released to OSECO, Inc. if source inspection is required by OSECO, Inc.

5.4 Tooling Inspection Requirements

Supplier shall ensure tooling, used for inspection purposes, are included in the Supplier's periodic calibration program. Supplier shall provide evidence of periodic tool inspection activities to OSECO, Inc.

6.0 Shipping Documentation Requirements

6.1 Shipping Document

Supplier shall provide shipping documents including a packing sheet, applicable certification of conformance, and applicable documentation to support product conformity. At a minimum, the following information must be included on the packing list: OSECO P.O./Order Number, OSECO part number, supplier packing list number, quantity, description, and units of measure (must be same unit of measure as ordered on OSECO P.O.).

If the above information is not present on the packing slip, OSECO will deem the delivered goods and payment on 'Hold' until a resolution to the documentation can be provided.

6.2 Packaging Method

Supplier shall ensure product is packaged in accordance with industry standards to prevent damage and deterioration throughout delivery process.

7.0 Quality Records Requirements

7.1 Quality Record Maintenance Process

Supplier shall maintain quality records which provide evidence that processes meet requirements or conformity to requirements is evident, Quality records must be in English, legible, identifiable, appropriately stored to protect from damage, deterioration or loss, and easily retrievable for review.

7.2 Types of Records

Records include, but are not limited to:

- Test Results
- Inspection Reports
- Raw Material Certification
- Special Process Certifications
- Certificate of Conformance
- Material Review Reports
- Calibration Records
- Control Charts
- Traceability Records
- Education, training and skills records

7.3 Record Retention

Supplier shall retain Quality records for a period of not less than seven (7) years from completion of purchase order. Supplier shall flow down this requirement to sub-tier suppliers.

8.0 Corrective and Preventive Action

8.1 Correction and Preventive Action Process

Supplier shall complete and submit corrective action report by the due date indicated on the request. The due date may be extended upon request to allow the Supplier to effectively respond, but the Supplier must request an extension prior to the initial due date. OSECO, Inc. reserves the right to reject inadequate responses. OSECO, Inc. reserves the right to verify corrective action has been implemented to ensure the root cause has been eliminated. OSECO, Inc. may perform verification at the Supplier's facility or the Supplier shall submit objective evidence as requested.

9.0 Special Process Requirements

9.1 Special Process Accreditation

Supplier shall maintain current NADCAP certifications for special processes performed in house. Supplier shall also maintain NADCAP certifications of sub-tier suppliers when OSECO, Inc. contracts are outsourced to subcontractors. Supplier shall provide special process certifications to OSECO, Inc. upon request.

9.2 Approval of Special Process Suppliers

Suppliers shall use special process sources approved by OSECO, Inc. Approval is indicated when the special process source is listed on a OSECO, Inc. purchase order.

Special Processes are Brazing and Welding, Calibration, Chemical Film, Coatings, Heat Treat, Non Destructive Testing, Passivation, Shot Peening.

9.3 Special Process Certificate

Supplier shall provide in part of shipping documentation a special process certificate(s) which contains:

Specification Number
Revision Level
Test Results

For processing performed under NADCAP certification, the NADCAP process statement, accreditation number and expiration date must be included in the certification provided to OSECO, Inc.

9.4 Calibration Service Providers

Calibration Service Providers will immediately notify OSECO, Inc. Quality Management of any out of tolerance conditions found during servicing. Immediate notification will be verbal, followed by written notification.

10.0 Oseco Conflict Material Policy

10.1 Oseco Inc. supports ending the violence and human rights violations in the mining of certain minerals from a location described as the “Conflict Region”, which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. It is our policy to only purchase “Conflict Materials” that do not originate from the “Conflict Region”. We have put controls in place to ensure our process remains free of Conflict Materials from the Conflict Region.

10.2 Conflict Free Material Definition

The definition of “conflict minerals” refers to gold, tin, tantalum, and tungsten, the derivatives of cassiterite, columbite-tantalite, and wolframite, regardless of where they are sourced, processed or sold.

The definition of “Conflict Region” is the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

In support of the U.S. Securities and Exchange Commission (“SEC”) and the reporting and disclosure requirements related to “conflict minerals,” as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Oseco Suppliers are required:

- To acknowledge on the “purchase order acceptance”, that if the product they are supplying includes Conflict Materials as defined above it does not originate from the Conflict Region.
- For any product that incorporates Conflict Materials the supplier must provide to Oseco a current copy of the EICC (Electronic Industry Citizenship Coalition) Conflict Minerals Reporting Template. The template identifies the name and location of the smelter used for the “Conflict Materials”. The template can be obtained at www.conflictreesmelter.org or by contacting Oseco. The supplier must update EICC reporting template and provide an updated copy to Oseco when any new smelter supplier is added to their supply base.
- Suppliers are required to maintain systems to ensure that all “Conflict Material” supplied to Oseco does not originate from the “Conflict Region” as defined above.
- The Product Certificate of Conformance must indicate the material used in the product does not originate from a “Conflict Region” as defined above for any product containing “Conflict Materials”.