



World Class Prototype Engineers

SUPPLIER BUSINESS MANUAL

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1 Purpose

This document has been developed to communicate to suppliers the business requirements and expectations of Chasestead Limited for the supply of all products. The requirements defined by this document are an integral part of the binding contract between suppliers and Chasestead Limited.

2 Scope

This process is applicable to all suppliers or partners who provide products that impact upon Chasestead Limited customer requirements unless otherwise stated on associated Technical Specifications, Engineering Drawing or Chasestead Limited Purchase Order.

3 Quality

3.1 Review of Requirements / Contract Review

The supplier shall review the requirements related to the product prior to committing to supply the product (e.g. submission of Request for Quote [RFQ], Request for Proposal [RFP], acceptance of contracts or orders).

The supplier shall ensure the following:

- Product requirements are defined
- They have the ability to meet the defined requirements. The supplier shall review contract requirements (contract review). The review of contract requirements shall include (but not be limited to) the following:
 - Request for Quotation / Proposal (RFQ, RFP)
 - Purchase Orders / Contract requirements differing from those previously expressed are resolved
 - Supporting documentation (e.g. drawings, engineering definitions, technical / process specifications, repair / salvage schemes etc.) - as necessary
 - Protection, Packaging & labelling of product
 - Amendments to any of the above.
- This review shall support the review activities mandated by the suppliers Quality Management System approval (e.g. ISO 9001:2015 / AS 9100 Rev D).

3.2 Process and Product Audits

The supplier shall conduct process and product audits to verify compliance to planned arrangements on processes and products related to Chasestead Limited contracts. The supplier shall plan for product and process audits to be conducted at frequencies appropriate to the processes and products concerned.

3.2.1 Process Audits

The supplier shall conduct a process audit to verify process effectiveness,

Process Audit Requirements

The process audit shall review the following elements as a minimum:

- Changes to process or source are appropriately approved
- Non-conforming product is identified and segregated to prevent unintended use or delivery. Rework is conducted in accordance with approved methods. An appropriate authority has approved concessions
- Process routings provide a record to demonstrate that all operations have been completed in



- sequence and have been appropriately verified
- Monitoring and measuring equipment / gauges identified for verification / inspection activities are calibrated or verified at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards
- Review appropriate competence, training and awareness of personnel
- Special processes are appropriately approved, controlled and conform to requirements
- Sub-tier suppliers hold appropriate approvals to provide purchased material, product and/or subcontract activities
- Purchased material must be Traceable to source and supplied with material test certificates
- Protection, packing and labelling is to standard that provides adequate protection against damage, deterioration during shipment / storage and has appropriate labelling attached.

3.2.2 Product audits

The supplier shall conduct product audits to verify that the quality characteristics of finished products conform to control plan and specification requirements.

Product Audit Requirements

The product audit shall review the following elements as a minimum:

- Product verification / Inspection records are complete
- Dimensional assessment to determine dimensional acceptance to the product definition
- A Visual Assessment to determine visual acceptance to product definition e.g. Cosmetic appearance
- A Functional Performance Test (when applicable) to determine the acceptability of functionality

3.2.3 Management Action

In addition to product and process audits, the supplier's management / supervision shall undertake surveillance of production areas associated with Chasestead Limited contracts. Daily or weekly checks shall be conducted; any issues identified by the audit activity shall be effectively and systematically resolved by management / supervision.

3.3 Split Order / Batch Control

In the event of a production split order / batch, the supplier shall implement appropriate controls that ensures accountability of all product and provides evidence that all production and inspection/verification operations have been completed as planned.

The production split order / batch control process shall also include the following:

- A traceable reference between the original order / batch and the split order / batch.
- Traceability and correlation of serial numbers,
- Accountability for non-conforming product.

3.4 Records Retention

Quality related records shall be retained for a minimum of 10 years unless otherwise stated in the purchase order.

Secure storage facilities shall be used to prevent deterioration and ensure ease of retrieval e.g. fire proof safe, backup copies located away from the facility.

All data stored by electronic means shall be secured and regularly backed up and audited to verify the integrity of the data.

Suppliers that have a computer system shall have a disaster recovery procedure that is defined, documented, implemented and regularly audited for compliance.



In the event of insolvency all pertinent records shall be supplied to Chasestead Limited.

3.5 Corrective Action

It is Chasestead Limited expectation that suppliers shall deliver product which fully conforms to drawing and specified requirements, unless by prior agreement by properly authorized concession.

In the event of the receipt of any non-conforming product or late delivery at Chasestead Limited, a Supplier Corrective Action Request (SCAR) will be issued. Suppliers must complete this SCAR with details of Root Cause and Corrective Actions implemented.

An initial response with containment actions must be made within 24 hours for concerns of a critical nature, non critical concerns within 10 days.

The completed SCAR must be fully closed and verified within 30 days or an action plan agreed. Failure to comply may result in removal of approved supplier status.

Authorization for disposition of Non-Conforming product must be sought from Chasestead Limited.

4 Delivery

4.1 Delivery Tools & Techniques

It is Chasestead Limited expectation that suppliers shall deliver product on-time, every time, through the utilization of industry standard tools and techniques.

The supplier is expected to use the following tools & techniques as part of delivery and logistical excellence:

- Capacity analysis and planning
- Commitment acceptance process
- Level scheduling
- Lean manufacturing principles
- Kitting / integrating / consignment
- Support the use of third party logistics organizations

The supplier shall ensure that logistics development and production activities are planned and carried out at an appropriate stage in the product life cycle.

4.1.1 Delivery Performance

The suppliers shall measure their operational performance in terms of lead times and delivery adherence, maintaining a history of performance for the previous 12-months.

The suppliers delivery targets shall meet or exceed the Chasestead Limited delivery targets and the supplier shall own and manage their own improvement plans to achieve these targets.

4.2 Risk Management

The supplier shall establish a process for the identification and management of potential risks to the continuity of supply of product to Chasestead Limited.

The supplier's process shall include a periodic assessment and review of all possible business risks and consider the following elements:

- Severity – The seriousness of a failure mode,
- Occurrence – The likelihood that a given failure mode will happen,
- Detection – The likelihood that a given failure mode will be detected



The process shall analyse risk associated with both facilities and personnel, considering issues such as:

- Product, facility or individual skill uniqueness,
- Critical process susceptibility,
- Susceptibility to natural phenomena (e.g. flood),
- Sub-tier supplier related issues

The supplier shall determine appropriate actions related to high risk failure modes in order to mitigate these risks. The supplier shall ensure that actions taken are appropriate to the effects of the potential failure mode and review the effectiveness of the preventive action taken.

The supplier shall establish a method to provide feedback to the customer when preventive action cannot provide appropriate risk mitigation of potential high-risk failure modes.

4.3 Project Management

The supplier shall plan, organize and manage resources in a structured and controlled manner to bring about the successful completion of specific project goals and objectives within resource and schedule constraints as appropriate to the suppliers organization and the product.

4.4 Operations Management

The supplier shall ensure that business operations are efficient and effectively managed and resourced to enable the distribution of products that are conforming to customer requirements.

4.4.1 Capacity Management

The supplier shall ensure that the capacity of the operation is able to meet customer requirements on an ongoing basis. In support of this the supplier shall:

- Analyse customer demand to ensure accurate capacity planning,
- Use an S&OP (Sales & Operations Planning) process appropriate to their size of business for analysing short and medium term capacity requirements, internal and external, and taking appropriate decisions,
- Frequently review available capacity to identify any current and foreseeable future shortfalls, bottlenecks or other operational constraints (e.g. inventory management) to ensure that they are either eliminated, effectively managed and where appropriate communicated to Chasestead Limited,
- Use actual achieved capacity when planning,
- Ensure that they have a suitable process for maintaining planning data integrity within their own management system, including the correction of inaccurate information, and communicating where appropriate changes back to Chasestead Limited,
- Establish robust contingency plans where on-going capacity risks are evident.

4.4.2 Prevention of Counterfeit Parts

The supplier shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to Chasestead.

Counterfeit part prevention processes should consider

- Training of appropriate persons in the awareness of counterfeit parts.
- Controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources.



- Requirements for assuring traceability of parts and components to their original or authorized manufacturers.
- Verification and test methodologies to detect counterfeit parts.
- Quarantine and reporting of suspect or detected counterfeit parts.

5 Chasestead Limited Supplier Code of Conduct

5.1 Protect proprietary information

The supplier shall ensure that any information received through business transactions with Chasestead Ltd. is kept confidential and never used for personal gain. This includes both commercial and technical information.

Appropriate non-disclosure or confidentiality agreements are and will continue to be used to formalise the process of protecting proprietary information.

5.2 Supplier Selection

Chasestead Limited will select and work with suppliers on compliance with the principles in this code of conduct. The supplier is expected to use the same principles within their own supply base and then incorporate these as part of routine improvement, compliance and audit activities.

6 Health, Safety and Environmental Management

Chasestead Limited expects its suppliers to make proper provision for the health, safety and welfare of its people, visitors, customers and those in the community who may be affected by their activities. Chasestead Limited suppliers shall care for the environment through a commitment to good environmental practices.

Health, Safety and Environmental risks shall be assessed and appropriate controls put in place.

7 Qualification of Personnel and Changes

Suppliers working with Chasestead Limited shall ensure that:

- The human resource and skill set(s) are available to meet the technical, manual and administrative requirements to satisfy Chasestead Limited business needs.
- Provisions are in place to ensure that continuity of knowledge; experience and abilities (inc. specialist training - as / where applicable) are in place for those personnel engaged in the processing of Chasestead Limited purchase order and delivery requirements.
- Authorization of personnel to approve specific part and generic work instructions shall be undertaken in a controlled manner and in compliance with relevant specifications / requirements
- The above points shall be subject to on-going review to ensure compliance (e.g. via training, succession planning, employee development programme, recruitment etc.) and promote continuous improvement - as appropriate.

8 Access

Given reasonable notice, Chasestead Limited shall have the right of access to any Supplier involved with Chasestead Limited product.



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Providing reasonable notice is given, the Supplier shall provide Chasestead Limited's Customers (or the Customers authorized representatives) and /or Regulatory Authorities rights of access to premises where Chasestead Limited work is being performed. Such access shall be used to verify the Quality Assurance activities being undertaken meets the requirements of the Chasestead Limited contract/order.

9 Change History

Revision	Date	Change description	Approved by
1	18/05/10	First Issue	L. Primett
2	26/10/10	Change note 17 – Authorization for Disposition	L. Primett
3	02/03/18	Update for AS9100 Rev D	L, Primett