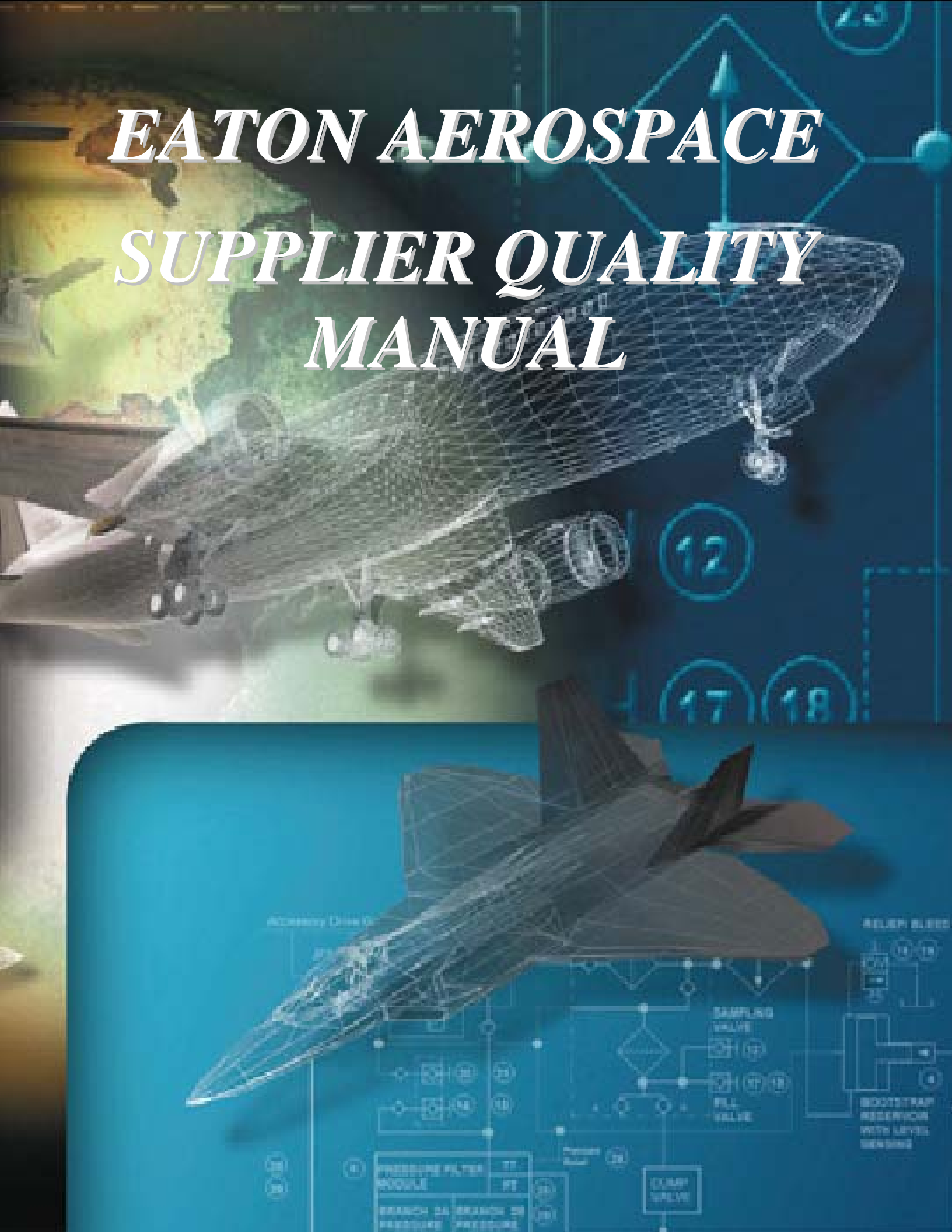


EATON AEROSPACE

SUPPLIER QUALITY

MANUAL



ACCESSORY DRIVE

SAWFLING VALVE
FILL VALVE

RELIEF BLEED

BOOTSTRAP RESERVOIR WITH LEVEL SENSING

(1)	PRESSURE FILTER MODULE	FT
(2)	BRANCH 2A PRESSURE	
(3)	BRANCH 2B PRESSURE	

DUMP VALVE

To Our Suppliers:

In order for Eaton Aerospace to be a preferred supplier to our customers, we must have a process in place that encourages, supports and ensures our suppliers meet quality performance expectations.

Eaton Aerospace's requirement is continually improving quality levels and reduced cycle-time for all activities. Specific strategies will include:

- *Long-term relationships with fewer strategic suppliers*
- *Close interaction among manufacturing, engineering, purchasing and quality personnel of Eaton Aerospace and its suppliers, especially on new product design where appropriate*
- *Ability to meet just-in-time requirements, including VMI and Consignment Stocks*
- *Assure compliance to market specific requirements such as AS9120, AS/EN9100, Nadcap and other industry standards.*

The Eaton Supplier Excellence Manual, supplemented by the Eaton Aerospace Supplier Quality Manual, puts in place just what we need of you – our partners for success.

Eaton Aerospace management has endorsed “links in the supply chain” (see page iii) as essential elements that must be institutionalized with our suppliers to ensure competitive advantage and full customer satisfaction.

Dan Carroll
Director of Supply Chain
Eaton Aerospace

Tony Stacey
Director of Quality
Eaton Aerospace

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Manager, Supplier Development
Eaton Aerospace

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Common Acronyms as-used within this manual

MRO	<i>Maintenance & Repair Organization</i>
QMS	<i>Quality Management System</i>
AS	<i>Aerospace Standard</i>
PO	<i>Purchase Order</i>
ASL	<i>Approved Supplier Listing</i>
DFAR	<i>Defense Federal Acquisition Regulations</i>
WISPER	<i>Worldwide Interactive Supplier Performance Evaluation Resource</i>
C of C	<i>Certificate of Conformance</i>
FOD	<i>Foreign Object Debris</i>
DMR	<i>Discrepant Material Report</i>
FAIR	<i>First Article Inspection report</i>
DPPM	<i>Defective Parts Per Million</i>
PFMEA	<i>Process failure Modes & Effects Analysis</i>

CAA *Civil Aviation Authority*
Links in the Supply Chain

Supplier Qualification

Pre-award process of determining supplier capability and compatibility in meeting established baseline requirement to support Eaton Aerospace's long-term plan and vision.

Features

- Formal screening and selection process
- On-site review of supplier process and performance characteristics
- Approved supplier list
- Listing of suppliers meeting required minimum standards

Supplier Development

Proactive approach to assist suppliers in continuous improvement and development.

Features

- Joint improvement projects
- Supplier training
- Supplier conferences

Supplier Performance Recognition

Ongoing, comprehensive supplier monitoring and feedback process to optimize total cost and quality, and minimize process variation.

Features

- Dock-to-stock status
- Periodic performance reports
- Regular reports of process and improvement area
- Supplier recognition awards
- Reward achievement for suppliers' conformance to requirements

Operational Linkages

Closely coupled physical or electronic linkages between companies to enable teammates to operate as an extended enterprise on day-to-day activities.

Features

- Just-in-time (JIT) and point-of-use (POU) delivery
- Electronic communications
- Schedule sharing, consigned inventory, and VMI

Technology Linkages

Close coupling between companies to leverage innovation, time to market and total product/process development.

Features

- Early supplier involvement
- Design for assembly and manufacturing
- Value engineering
- Co-location of engineers
- Target costs

Partnering

Formal agreement between two or more companies in a supply chain that seeks a long-term working relationship, which maximizes the benefits to each party and the end customer.

Features

- Reduced supply base
- Concentrating greater sourcing volume with fewer strategic sources
- Preferred supplier list
- Suppliers that provide competitive advantage in such areas as cost, cycle time or technology
- Long-term contracts
- Multi-year agreements that include ongoing improvement targets

About this manual

This manual is a supplement to the **Eaton Corporation Supplier Excellence Manual**.

It is to be viewed as an Eaton Aerospace contractual terms document and shall prevail over any local plant procedures and (or) documents, unless specifically noted in a contract exhibiting Eaton supply chain and supplier quality approval.

For suppliers' purposes, this document is a controlled document and the official copy and revision level exists on the Eaton Aerospace Website at https://supplier1.eportal.eaton.com/dana-na/auth/url_8/welcome.cgi .

All printed/downloaded copies shall be considered uncontrolled.

Section A – General Quality Standards for Purchased Material

Purpose

The purpose of this section is to define the additional supplier quality requirements for Eaton Aerospace. This manual is a supplement to the Eaton Supplier Excellence Manual and is a tier 1 document.

This manual shall prevail over any local plant procedures and (or) documents.

Scope

This manual applies contractual terms to suppliers who directly provide Aerospace material (raw materials, production services, component parts and assemblies/systems) to Eaton Aerospace (referred to as Tier 1 or Direct suppliers) unless otherwise exempted by contract or noted in this manual.

This manual does not apply to tier 2 and lower material suppliers unless noted herein. Facility (building) MRO items and general services are excluded from this process unless specified by contract. For non-Aerospace material (industrial, automotive, etc.) supplied to Aerospace locations, the use of this supplement is optional based on local plant QMS procedures.

Eaton Aerospace facilities supplying material to another Eaton Aerospace facility are exempt from this manual and controlled via internal Quality Assurance Procedures (unless otherwise specified by Eaton's customer).

Terms

1. Quality Systems

Requirements shall be in effect for those suppliers who directly supply material to Eaton (Tier 1), service, and special process suppliers, regardless of tier.

- Distributors - Distributors shall have a quality system that conforms to **AS9120**.
- Special Process Suppliers - Special Process suppliers shall have a quality system that conforms to **AS/EN9100** or accredited to AC7004 (by PRI-Nadcap).
- Calibration Suppliers - Calibration suppliers shall have a quality system that conforms to **A2LA, ISO 17025 (Guide 25)** or other country certifying body.
- Raw Material Suppliers - Raw material suppliers shall have a quality system that conforms to relevant industry quality standards, and airworthiness regulatory requirements, as required.
- All other suppliers - All other suppliers shall have a quality system that conforms to **AS/EN9100**.

Conformity to the above quality standards must be evidenced by either: third-party certification; or an Eaton-approved audit to assess any gaps to the AS/EN9100 requirements.

A supplier not meeting the above quality system requirement may be assessed at any time for reasons not limited to performance, and may be liable for the actual costs of such assessments, at Eaton's option.



2. Right of Access

The supplier shall provide Eaton, an Eaton customer, or a specified third party (customer/regulatory agency), right of access to the facility and all records related to product ordered by Eaton or one of its suppliers.

Eaton reserves the right for Eaton, an Eaton customer, or a specified third party (customer/regulatory agency), to perform an audit or inspection at the supplier's facility. Such verification shall not be used as evidence of effective control of quality. This verification does not absolve the supplier of the responsibility to provide acceptable product, and does not preclude any subsequent rejection by Eaton or its customer.

3. Sub-Tier Selection/Control & Contract Requirement Flow-down to Sub-Tier Suppliers

Eaton reserves the right to specify or approve sub-tier suppliers contracted by its suppliers for work performed on Eaton material. This includes but is not limited to special process, materials testing services, distributors, and other subcontractors.

- Suppliers shall flow down to its sub-tier contractors, all relevant quality requirements imposed by this manual and other contractual documents, including government-regulatory and Defense requirements.

4. Special Process Suppliers

Regardless of tier, all suppliers shall use only Eaton Aerospace-approved special process suppliers, unless otherwise specified by contract.

Any supplier may request that a sub-contractor be added to an Eaton facility's ASL through the appropriate Eaton supply chain contact, however, such sources may not be used prior to receipt of documented Eaton Quality approval. Actual costs of approval for a new sub-contractor may be the responsibility of the requestor.

- Eaton Aerospace participates in the Nadcap special process accreditation program administered by the Performance Review Institute (PRI). For the processes listed below, all special process suppliers must be Nadcap accredited and approved by Eaton Aerospace, unless specifically exempted by contract terms exhibiting a Eaton Supplier Quality approval.

<i>Process</i>
Non-Destructive Testing
Heat Treating
Welding
Chemical Processing
Coatings
Material Testing Labs

5. First Article Production Approval

First Article approval from the ordering Eaton Aerospace site is required. First Articles shall be performed by the supplier in accordance with AS/EN9102.

- The designated quantity of components, randomly selected from a significant production run, must be produced utilizing production tooling, processing and cycle times. This approval includes dimensional and performance requirements and, in some cases, may also include specific visual and functional

Section A – General Quality Standards for Purchased material

approvals. Where available, First Article Inspection reports shall be submitted via WISPER or specified alternative method per the purchasing Eaton business.

- In some instances, functional approval of components will be required. The supplier will be notified via PO/contract flowdown by the appropriate Eaton Aerospace facility when such approval is necessary.

6. Purchased Part Control

Suppliers must certify, as part of sample submission, compliance with current constraints on restricted substances as specified by PO or contract, especially toxic and hazardous substances.

7. Process Control for Key Characteristics

Suppliers shall implement a process conforming to AS9103. Suppliers should use the recommended risk-management process tools (i.e., PFMEA, Control Plans, Process flow diagrams, etc.), These can be found in the Eaton Supplier Excellence Manual.

SPC data, including quarterly Cp and Cpk summaries for key characteristics identified in the control plan, may be required with each shipment at the discretion of the receiving facility.

8. Material Identification

The supplier is required to establish a documented system for the control and traceability of all materials. The inspection and test status of all materials should be easily identifiable by the system, and documentation should include a description of any applicable containment areas and/or devices. Parts or products removed from the normal process flow must be positively segregated and clearly marked per AS/EN9100 requirements.

9. Sampling

The supplier may use reduced-frequency (sampling) inspection plans only when historical records indicate that a reduction in inspection can be achieved without jeopardizing the level of quality. The supplier may employ sampling inspection in accordance with nationally accepted or customer required standards, as-specified by the Eaton purchasing business.

- Sampling may not be used to justify the existence of known defectives or discrepancies in a lot.
- The supplier shall maintain quality records in sufficient detail to establish evidence that any sampling was representative, the required tests and verifications were properly performed, and that only material meeting specified requirements have been accepted for production and delivery to Eaton. These records shall be available for review by Eaton or an Eaton authorized representative, as required. Copies of individual records shall be furnished to Eaton upon request.

10. Outgoing Product Controls

The supplier's quality plan must have sufficient controls to ensure that the product to be shipped conforms to Eaton's physical, dimensional and visual requirements. These controls may include final inspection and dock audit (component and packaging) outlined in written procedures and detailed in individual instruction sheets.

11. Source Inspection

Section A – General Quality Standards for Purchased material

When invoked via contract/PO, the supplier shall support Source Inspection activities by Eaton, Customer, or Government representatives. The supplier will contact the appropriate party for source inspection upon completion of the product in such cases.

Product shall not be shipped until source inspection has been completed including appropriate documentation. If the supplier has difficulty in reaching the appropriate source inspector, they shall contact their buyer for support without undue delays.

12. Drawing and Change Control

The supplier's quality system must ensure that the latest engineering drawings and specifications are available at the manufacturing, test or inspection location. This includes applicable previous revisions if Eaton contract/PO language requires other than the most recent revision(s).

- The written procedure(s) should indicate the method utilized for receipt, review or distribution of all changes and the method of recalling and disposing of an obsolete item.

A review process must be established in that system to confirm that applicable drawings and specifications are at the latest revision level with the issuing source.

13. Records

The supplier must retain adequate quality system records, not limited to all advanced quality planning documents, process guidelines, laboratory test instructions, gauge/test equipment verification and calibration and performance test methods.

- In addition, the supplier must retain quality performance records, not limited to control charts, FAI, inspection and test results.

At a minimum, the supplier must retain the records for the periods indicated herein and make them available for review as required:

- Quality system records (control charts, inspection and test records, audit records) - **10 calendar years**
- Quality performance records (production part approvals, purchase orders and amendments, tooling records) - **one calendar year** after part production is discontinued

For some Eaton Aerospace facilities, the above records must be retained for longer than 10 years (The supplier will be notified via PO/contract when this is a requirement).

The supplier agrees to transmit to Eaton, those records kept in support of Eaton work, in event that the supplier discontinues business operations.

14. Changes to Process, Product, and/or Supply Chain

Direct material suppliers are required to obtain documentation of Eaton Aerospace approval prior to implementing any change. This requirement includes direct material suppliers, including distributors.

Applicable 'changes' include but are not limited to:

- Approved production processes
- Materials

Section A – General Quality Standards for Purchased material

- NDT and special processing
- Change of sub-tier suppliers for raw materials, purchased components or services
- Change to test/inspection sequencing or methods
- For bulk material suppliers: Alternative source of raw material from new or existing suppliers
- For distributors: Alternative sources of component parts other than those previously qualified

The continuous improvement philosophy encourages process improvements. However, prior to any modification to a process being implemented, the supplier must complete all verifications and tests necessary (including preliminary capability studies) to ensure that a new process continues to yield components that meet specifications. First article requirements per AS/EN9102 always apply.

15. Internal & Sub-Tier Audits

A supplier must conduct regular audits to ensure continued compliance with internal procedures and customer requirements; these audit activities must include internal and sub-tier suppliers.

To ensure internal audits are conducted appropriately and consistently, a supplier must have a procedure with established guidelines for conducting an audit. As a minimum, the audit procedure will establish:

- Responsibility
- Frequency
- Scope
- Distribution/review
- Correction action format

16. Foreign Object Debris/Damage (FOD) Prevention program

Product suppliers must have a FOD program for the purpose of prevention, detection, and removal of foreign objects. The program should meet the following requirements as applicable:

- FOD prevention must be implemented in all areas as applicable and FOD training awareness must be given.
- Parts must be protected from handling damage in all areas; material handling awareness training must be provided to all employees and handling standards documented.
- Supplier must document all FOD incidents and perform root cause analysis.
- Metrics must be documented if FOD incidents occur.
- If critical FOD areas are noted/ required, Physical Entry Controls shall be established with entry requirements visually posted outside each area.

Internal auditing of FOD prevention in all critical FOD areas must be conducted and documented.

17. Nonconforming Material

Suppliers shall begin containment action upon discovery/notification of a product nonconformance.

Section A – General Quality Standards for Purchased material

For all non-conformances identified by an Eaton facility through a DMR, and unless otherwise specified, the supplier shall submit a formal corrective action response with containment actions (within 24 hours) and corrective actions (within 14 calendar days) from receipt of a corrective action request (via WISPER where available).

If the product may have escaped their facility and have been shipped to Eaton, the supplier will notify their respective Eaton buyer.

- For product that has been found or suspected discrepant prior to shipment to Eaton, all requests for approval for repair or to be “used as is” must be submitted to Eaton for approval, following a material deviation request process or via WISPER (where available), and material must be held at the supplier’s address pending receipt of documented Eaton approval, prior to further processing and/or shipment of nonconforming material.
- For products identified or suspected as nonconforming returned from the customer’s facility; performance testing; and/or field vehicles, the analysis must determine the cause(s) of the nonconformance.

Failure to respond to a corrective action request may result in penalties up to and including suspension and/or removal from the Eaton ASL.

18. Certification of Conformance (C of C)

Unless otherwise specified by PO/contract, a supplier must provide adequate certification of conformance for all materials and processes specified on the purchase order or contract, for each shipment. Where available, these may be submitted electronically.

Suppliers are responsible for all PO terms and conformity characteristics per the PO/contract accepted, i.e., for tier 1 (direct) suppliers delivering a product which includes sub-contracted or special processes, all such processes must be indicated on the direct supplier’s certificate of conformance.

When required by contract, components procured from a supplier holding an applicable Airworthiness Approval from their local regulatory authority, those components are to be supplied with the applicable Airworthiness Tag/Certification (i.e., EASA Form1 or 8130). This is particularly important for proprietary parts that may not be readily inspected/tested on receipt.

In addition to any specific requirement for Airworthiness Release Tags, the basic categories of C of C documentation for all products or services are General, Special Process, Raw (Mill) Material, and Age-Sensitive materials.

- **General Certificates**

A general certification of conformance, signed by the Quality Management Representative or designated company officer, shall be used for all parts and materials, unless otherwise indicated herein.

An approved format is shown in Section E. This form, or an Eaton-approved equivalent, shall be used unless otherwise specified by contract/PO. For machined components; If the supplier also supplies the raw metallic material, a copy of the original mill certificate shall be provided.

- **Special Process Certificates**

Section A – General Quality Standards for Purchased material

In addition to the general certification, an additional special process certification is required. The certificate of conformance will contain at a minimum:

- the process(s) performed,
- the specification number,
- revision level,
- purchase order number,
- part number,
- lot size,
- sample size,
- applicable process specifications/controls
- applicable test results
- serial numbers where applicable to contract.

If the job was processed using a Nadcap accredited process, the supplier shall include a statement indicating the job was processed per their Nadcap accreditation, and shall include their accreditation number and expiration date.

- **Raw Material (Mill) Certificates**

Raw metallic materials (including forgings and castings) supplied shall include a copy of the original mill certificate or material test report (certification) from a test lab acceptable to Eaton.

Raw material mill certifications may not be altered or have any markings other than check marks from verification of physical and chemical values and/or indication of inspection acceptance. Stamps may be applied by warehouses/distributors to add incidental information such as the Eaton purchase order, weight shipped, etc.

- Casting and forging suppliers shall also include the physical or mechanical properties with heat treat batch-lot numbers.
- When required by contract/PO, certification shall show that all materials comply with all Government requirements including country of origin and country where the material is melted.

- **Age-Sensitive Material Certificates incl. Hose &Sleeving**

Age Sensitive Material suppliers shall additionally supply the lot number, source construction number (hose/sleeve only), and cure date (age-sensitive items) within the C of C document.

19. DFAR Preference for Domestic Specialty Metals

Where required by contract or PO, DFAR requirements shall apply.

“Specialty Metals” means:

Steel – With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper 0.60 percent; or, Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium;

Section A – General Quality Standards for Purchased material

Metal alloys - consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent;

Titanium and titanium alloys; or, Zirconium and zirconium base alloys.

DFAR Specific Requirements

Any specialty metals incorporated in articles delivered to Eaton Aerospace when this Manual is referenced by contract or Purchase Order shall be melted in the United States, its possessions, Puerto Rico or a qualifying country. (Reference DFAR)

- This requirement shall be flowed down to all sub-tier raw material sources.
- Prior Eaton approval is required if specialty metals not meeting the requirements are planned for use in articles delivered under contract or purchase order to Eaton Aerospace sites.

Any and all exceptions to this requirement shall be noted on the Certification of Conformity.

20. Supplier Validation of Raw Material

Unless material is procured directly from Eaton, the supplier shall perform & document periodic validation of test results for raw materials per AS/EN9100 requirements; if purchased using accredited inspection services approved by Eaton.

21. General

Suppliers' personnel performing process control and inspection functions shall be identified and given sufficient, well-defined responsibility, authority and the organizational freedom to identify and evaluate quality problems; and to initiate, recommend, and provide solutions to Eaton Aerospace.

Section B – Supplier Qualification & Approval

Introduction

The goal of the supplier qualification process is to implement a systematic screening process to ensure that all Eaton Aerospace suppliers are capable of meeting the corporation's quality, delivery, cost and continuous improvement objectives. Assessment results from one Eaton Aerospace supplier quality management program may be sufficient endorsement for another Eaton business to use that supplier without re-qualification. This is Eaton's option and any such assessment may require additional surveillance for specific business needs.

1. Eaton Aerospace Approved Supplier List (ASL) Requirements:

Suppliers must maintain an approved quality management system and acceptable performance levels in order to retain active status.

- The supplier's quality system shall be assessed using methods and intervals established by Eaton Aerospace.
- The supplier's operations may be assessed for environmental, health, and safety (EHS) per Eaton's discretion.
- Technical assessments may be conducted for initial approvals.
- A business systems assessment may be conducted for initial supplier approval and/or at Eaton's discretion.

Eaton reserves the right to schedule additional assessments based on factors not limited to risk or performance. The cost associated with audits performed as a result of risk induced by supplier performance or compliance issues may be charged to the supplier at Eaton's option.

2. Supplier Assessments

Suppliers are subject to assessment for multiple reasons not limited to initial evaluation.

Audits and surveys shall be conducted on an as-needed basis determined by Eaton, based on supplier performance for the purpose of verifying products, processes, or Quality Systems. Surveillance activities completed do not in any way prevent additional audit/surveillance activities. Eaton reserves the right to on-site assessments for any reason not limited to performance or risk evaluation.

- When an on-site assessment is required, supplier shall provide reasonable facilities and assistance, including all quality records and related documents for the purpose of conducting such audits or surveys.
- Any on-site audit may be performed by Eaton personnel or by a second party hired by Eaton. At Eaton's option, a second or third party audit to the applicable quality management system standard may be accepted in place of a regular audit. When used, all nonconformity noted in said audit must be closed and verified prior to the Eaton request, to be acceptable in lieu of an on-site audit.

Section B – Supplier Qualifications

- Upon notification from Eaton Aerospace, any direct material supplier must submit a self-assessment. This assessment must be submitted to Eaton Aerospace and be kept current not to exceed 36 months.

At Eaton's option, calibration sources may submit A2LA, ISO 17025, or equivalent accreditation in place of a requested survey.

Any third party providing certification to these standards must be accredited from a country-authorized entity such as ANAB (USA).

Initial assessment: Eaton Aerospace will review all requests for supplier additions. During this review the Eaton Supplier Development team, Supplier Quality Management, or both will evaluate the supplier. Final approval and classification will be awarded by the applicable Eaton Supplier Quality organization.

Periodic and risk-based assessment: Supplier Quality reserves the right to change approval status of a supplier at any time for reasons not limited to assessment results, performance, or risk to Eaton's customers.

3. Granting Full or Conditional approval

Approvals may be made by capability (for example, machining, castings, forgings, compounds, etc.), part number, facility location, or any combination thereof. Purchasing of any product or material requires an approval and inclusion on an Eaton ASL.

Two types of approvals may be granted:

- **Full approval**
- **Conditional approval**

Full approval status enables Eaton to contract with a supplier at any time within the capabilities or categories listed on the Eaton ASL.

Conditional approval status enables Eaton Aerospace to contract with a supplier that is pending a site survey, but has satisfied other terms below:

- Supplier must submit a copy of its quality manual and complete the appropriate self-assessment.
- Conditional approval may be granted based on acceptance of these submitted documents by Eaton Supplier Quality.
- Conditional approval should not exceed 90 days. At Eaton's option, extensions may be granted.

At Eaton's option, a Conditional approval may also be applied to a supplier that has been charged with deficiencies or noted as a Risk supplier during an on-site activity. In such a case:

- A corrective action plan must be submitted and approved by Eaton Aerospace supplier quality within 30 days of receipt of the business assessment, audit summary, or other notification.
- All approved corrective actions must be closed and verified per the Eaton supplier quality organization.

Conditional approval does not guarantee a supplier will be granted Full approval in any case.



4. Assessment Results

Upon receipt and review of any audit/assessment report, the new or potential supplier must address all nonconformities noted in an immediate manner acceptable to the issuing source. Failure by the supplier to provide a suitable response in the timeframe noted is sufficient cause for disapproval for further business.

Section C – Supplier Performance

Introduction

The approval process is an ongoing, comprehensive supplier-monitoring and feedback procedure that optimizes total cost and quality and minimizes process variation. It requires performance measurements and reporting and communicating with the supply base and features a method of recognizing high-performance suppliers.

After a supplier is granted Approval or Conditional Approval and are shipping product to any of Eaton's facilities, the plant(s) will assume day-to-day monitoring of on-time delivery and product conformity. Issues which arise will be documented as appropriate into the WISPER system, where available. Corrective actions will be tracked through the issuing facility. The Supplier Development (SD) organization will oversee the plant's monthly supplier data. When a supplier's poor performance adversely affects multiple Eaton facilities, the performance falls below acceptable levels and/or the supplier's performance places Eaton at risk, the SD organization will assess the severity of the issue through plant generated data and provide additional supplier assistance through improvement activities.

1. Performance Measurement

Two methods of performance monitoring are used, based on the degree of utilization of WISPER at the purchasing Eaton site.

- **SUPPLIER PERFORMANCE - For Suppliers shipping to Eaton sites that are utilizing WISPER:**

Suppliers may obtain their performance score from the WISPER system at any time. The score is generated from data via the WISPER system. The supplier's Total Performance score is comprised of two categories of criteria: Quality Performance and Delivery. The Quality Performance score and Delivery score is continuously generated by the WISPER system base on quality system measurements.

- **Supplier Quality Performance**

The supplier quality performance for a supplier is based upon the following:

- Number of Defective Material Reports (DMRs) rolling 12-month total – up to 60 points (40%).
- Defective Parts Per Million (DPPM) rolling 12-month – up to 53 points (35%)
- Third party certifications – 0 or 22 points (15%)
- FAls acceptance and timeliness - 15 points (10%)

- **Supplier Delivery Performance**

Delivery Rating = (Number of line items on-time/Total line items received) X100

- **Supplier Ratings**

- A min. 90 % Quality and 95% Delivery
- B min. 80 % Quality and 90% Delivery
- C min. 70 % Quality and **80% Delivery**
- D under 70% on Quality or under 80% Delivery



Section C – Supplier Approval

Suppliers not attaining **70% on Quality Score** and **80% Delivery** ratings may be subject to an on-site Quality System Assessment and require to submit a Corrective Action Plan, upon request. The request for an action plan can come from Eaton's Supplier Development Organization or from one of Eaton's manufacturing facilities. If, after requested, the supplier does not submit a corrective action plan, they may be subject to other actions including a risk-based assessment, pricing penalties or removal from the ASL.



Section C – Supplier Performance

- **Performance Requirements - For Suppliers shipping to Eaton sites not utilizing WISPER:**

Minimum Performance Levels (12 Month Rolling Average)	
Quality 2000 DPPM or less	Delivery 80% On-Time or greater

- Suppliers **exceeding 2000 PPM or not attaining 85% OTD** may, be subject to an on-site Quality System Assessment and require to submit a Corrective Action Plan. If the supplier does not submit a corrective action plan, they may be subject to other actions including a risk-based assessment, pricing penalties or removal from the ASL.
- Once a CAP is accepted, the supplier must show significant improvement toward meeting the required measurable within a period of time as defined by Eaton supplier quality. A supplier that fails to show improvement may be removed from Eaton’s Approved Supplier list

In addition to these performance metrics, the supplier is also responsible to provide timely corrective action response and demonstrate commitment to continual improvement through improving performance trends.

- **Calculating Performance Levels**

PPM levels for product quality will be calculated using the following formula:

$$\frac{\text{Number of defective parts} \times 1,000,000}{\text{Number of parts received}}$$

Percentage on-time delivery will be calculated as follows:

$$\frac{\text{PO line items on time}}{\text{Total number of line items received}} \times 100$$

- **Counting Rules**

In order to ensure the uniform application of supplier quality standards, a set of consistent Measurable Counting Rules has been established for key quality indicators.

Counting rules have been defined for the following items. Additions or revisions to the counting rules may be made periodically or by specific contract terms.

Key Quality Indicator	Items To Be Counted
Quality disposition related to out-of-specification materials	In-process, Dock-to-Stock, or Delegate inspection rejections are counted on an accumulated basis. Receiving Inspection. A percentage will be reported based on the sample parts rejected at receiving inspection. If sorted by Eaton or the supplier, only the defective parts will be counted.
Delivery	Meeting window for on-time delivery. (Window is 5 early/ one late). Meeting due date for on-time delivery classification (agreed Standard lead-time or agreed-upon due date if within the window). Rejected quality lots (will be counted as a demerit against quality PPM only and will have no impact on delivery PPM or score).

2. Supplier Report Cards

While the key metrics above are minimum levels for qualification, it is expected that Eaton Aerospace suppliers ultimately strive for and meet 100% quality and on-time delivery.

Report cards for Service Suppliers will be provided by the using facility at least annually, or monthly via WISPER.

The WISPER application will ultimately maintain quality and delivery performance for suppliers who provide product (parts) to Eaton Aerospace, and it is the responsibility of the supplier to ensure the information is accurately being reported.

3. Charge Back Policy

Eaton Aerospace Operations retains the right to charge back costs associated with products that are not compliant to the requirements, per policy defined in the Eaton Supplier Quality Excellence Manual. This is not limited to administrative fees, rework, sorting, inspection premium freight and production disruption caused by the nonconforming product.

Eaton Aerospace Quality Engineering and Buyers have the responsibility and authority to settle all disputes with suppliers regarding the quality of their material.

In some risk-based circumstances, suppliers may be required to contract with specified third party inspection companies or pay for product over-inspection if quality performance falls below levels specified in the PO or contract.

4. Failing to Maintain Approved Supplier Performance Requirements

Any supplier that does not maintain acceptable performance requirements and has been requested to submit a corrective action plan must submit to the requesting organization or plant within 10 business days of request.

Suppliers may be removed from the ASL for reasons not limited to performance at any time.

5. Quality Performance Rewards

Skip-Lot Inspection

Material from suppliers that consistently meets performance requirements may be placed on a “skip-lot” reduced inspection program, as-indicated in WISPER. Conditions for use of skip lot will be specified by local plant procedures.

Dock-to-Stock (Delegated Source Inspection)

For suppliers showing the highest quality performance levels and via Eaton's customer requirements, individual Eaton plants may, at their discretion, implement a Dock-to-Stock or inspection delegation program. This type of program will be defined and controlled by the Eaton business in conjunction with their customer requirements, will require supplier documentation, and will be noted in PO terms when used.

Section D - Appendix

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Document Review

Eaton Aerospace will review this manual annually in order to review customer & regulatory compliance opportunities, integrate suggested changes, and ensure overall continuous improvement in its content & application.

Submitting recommendations

Recommendations should be submitted to:

George Boutsikakis
GeorgiosBoutsikakis@eaton.com

Revision History

- Rev C – Extensively revised. Changed document to appendix to Eaton Supplier Excellence Manual
- Rev D – Added Service supplier category and clarified flow down requirements to tier 2 and below.
- Rev E – Added requirement that the raw material supplier shall perform periodic validation of test results for raw materials purchased, using inspection services approved by Eaton. Reorganized initial approval and supplier surveillance requirements into consolidated table for ease of use. Delivery performance threshold reduced to 80% from 95%. Added requirement for suppliers to provide timely corrective actions and demonstrate continual improvements efforts.
- Rev F- Editorial & formatting throughout. Clarifications on multiple requirements. Added performance measurements for WISPER sites & tracking applications. Added section for chargeback items. Deleted classification-based assessment schedule. Clarified certificate of conformance issues. Standardized minimum corrective action response requirements. Modified C of C form. Added heat treat batch lot number rqmt for castings & forgings. Updated Index.
- Rev G- Revisions to periodic QSA requirements; descriptions of process/production/supply changes; insert EHS assessment item; add service supplier controls; adjusted rating/measurement systems.
- Rev H – Added Delegated Source inspection clarification to “Dock to Stock.” Updated Supplier Ratings and notation on Correction Action Plans. Updated DFAR reference



CERTIFICATE OF CONFORMANCE

Note: This form may also be found in Edoc as: "EASQM Certificate of Conformance"

Company				
Mailing address:				
Eaton Location		Part No.:		Rev:
Part Name:		P.O. No.:		
Pack Slip No.:		Date Shipped:		No. of Pcs/Length.:
QMS Management Representative :				
MATERIAL	SPECIFICATION	REV	EATON MATERIAL LOT OR MILL HEAT #	
<i>Material Mill Cert (Required if material was not supplied by Eaton)</i>				
SPECIAL PROCESSES	SPECIFICATION	REV	REMARKS (SP Accreditation No. & Exp. Date)	
<i>Physical and Chemical Analysis</i>				
<i>Non Destructive Testing</i>				
<i>Heat Treatment</i>				
<i>Plating</i>				
<i>Chemical Processing</i>				
<i>Welding and Brazing</i>				
<i>Other: (LIST)</i>				
SUB-TIER SUPPLIER(S)	KEY PROCESSES		REMARKS	

The undersigned certifies that the part(s) and material identified above meet(s) all the requirements of the purchase agreement including use of proper material and Eaton-approved special processes/processors. Certificates are attached for all material or special processes as listed below as applicable. Appropriate records are retained.

Signature:	
Title:	
Date:	
Printed:	

The undersigned certifies that the parts or items above were manufactured from materials and by processes free from mercury and/or radium contamination. (Complete if required by P.O.)

Signature:	
Title:	
Date:	
Printed:	