SUPPLIER QUALITY AGREEMENT

This Quality Agreement is executed between Supplier and Northwest Fourslide Inc. with business address at 13945 SW Galbreath Drive, Sherwood, OR 97140, USA, hereafter referred to as Customer.

1. Administrative Elements

1.1. Scope

This agreement defines the Supplier Quality Agreement between the parties identified below.

It defines the commitment both parties make to ensure that their respective products and services satisfy the quality and regulatory requirements called out in this agreement.

Both parties agree to cooperate in the success of this agreement.

This agreement does not define the forecasting, ordering, delivery, or pricing requirements for either party.

This agreement does not define the specifications for the products or services covered.

1.2. Parties to the Agreement

This quality agreement is executed between supplier and Northwest Fourslide Inc, hereafter referred to as customer.

Supplier agrees to provide the goods or services defined below in full conformance with the requirements of this agreement.

1.3. Definitions, Abbreviations, and Acronyms

The following terms are included in this agreement.

Term	Definition
Accuracy	A statement of how close a measured value is to the actual (true) value. See also, precision.
Complaint	A written, electronic, or oral communication that alleges deficiencies related to the identity, quality, durability, reliability, safety, effectiveness, or performance of a product after it is released for distribution.
Concession	Permission to use or release material that does not conform to specified requirements. A concession is frequently called a Use-As-Is (UAI) disposition.
Corrective Action	Action to eliminate the cause of a detected nonconformity or other undesirable situation
Directed	A case in which Customer directs Supplier to obtain a good or service

Term	Definition
Procurement	from a particular third party. In a directed procurement, Customer is responsible for product qualification Supplier qualification, etc. Supplier should track and report the third party's performance metrics to Customer.
FIFO	First In, First Out
IM&TE	Inspection, measuring, and test equipment
Precision	A statement of the repeatability of a measure. See also, accuracy.
Product	Product is the output of a process and includes, but is not limited to, goods, services, software, documentation, and consulting.
Promptly	Unless specified otherwise, promptly means within ten working days.
QMS	Quality Management System
Rework	Action on nonconforming material to make it conform to the requirements
RMS	Risk Management System
Scrap	Action on nonconforming material to preclude its originally intended use
Supplier	Supplier delivers product to Customer. The term Supplier includes, but is not limited to, contractors, consultants, sister organizations, and parent organizations.

1.4. Referenced Documents

ISO 9001:2008 Quality Management Systems – Requirements
AS 9001C Quality Management Systems – Requirements
NADCAP - Requirements

1.5. Products and Services Covered By This Agreement

This agreement pertains to the services listed in Purchase Order.

1.6. Site(s) Involved

Supplier produces the products at any of the sites listed on its web site.

Supplier ships the product to Customer from any of the sites listed on its web site.
Customer receives the product at any of the sites listed on its web site.

1.7. Quality Management Systems

Supplier and Customer shall each maintain a registered Quality Management System (QMS) that conforms or is compliant to the requirements of ISO 9001, AS9100C or NADCAP (as required).

Should Supplier determine that a requirement of ISO 9001, AS9100C or NADCAP is not appropriate or not applicable to the product delivered, Supplier shall notify Customer within thirty days of making that determination.

1.8. Risk Management System

Supplier and Customer shall each maintain an appropriate Risk Management System.

Both Supplier and Customer shall integrate the Risk Management System (RMS) into the Quality Management System (QMS) accordingly. If needed, product and process FMEAs shall be maintained.

1.9. Term of Agreement

This Agreement shall become effective and binding upon the date of the final signature and shall remain in effect until either party terminates this Agreement by giving written notice to the other party.

2. Compliance

2.1. Specifications

Customer shall define the specifications for the product Supplier provides.

This could take many forms including drawings, reference to commercial specifications, identify of brand names, and standards.

The specifications may be paper documents, electronic documents or other appropriate media.

Supplier undertakes to deliver product in full conformance to the agreed specifications.

2.2. Specification Changes

Changes to specifications are made by mutual agreement in writing between Supplier and Customer.

In addition to agreement of the change, Supplier and Customer will determine the effective date of the change.

2.3. Inspections

Supplier shall promptly notify Customer of any inspection or audit findings that impact the safety, effectiveness, conformity, or availability of product Supplier provides to Customer.

Supplier shall disclose to Customer any relevant inspection or audit results deemed to effect customer quality. Supplier shall upon request by Customer disclose in English for specific findings the root cause, correction and corrective /preventive action and the evidence that the action taken is effective.

3. Manufacturing, Packaging, and Labeling

3.1. Equipment

Supplier shall ensure that all equipment used in the manufacturing process for product is appropriately designed, constructed, placed, and installed.

Supplier shall establish and maintain schedules for the adjustment, cleaning, and other maintenance of equipment to ensure that manufacturing specifications are met.

Supplier shall keep records of these activities and make them available to Customer upon request.

3.2. Inspection, measuring, and test equipment

Supplier shall ensure that all inspection, measuring, and test equipment (IM&TE) used in the manufacturing process for product is suitable for its intended purposes and is capable of producing valid results. Suitability includes limits for accuracy and precision.

Supplier shall establish and maintain schedules for the calibration, adjustment, cleaning, and other maintenance of equipment to ensure that manufacturing specifications are met.

Calibration standards used for IM&TE shall be traceable to national or international standards.

Supplier shall keep records of these activities and make them available to Customer upon request.

3.3. Labeling Operations

Supplier shall control all labeling and packaging operations to prevent product and

product labeling mix-ups.

Supplier shall keep records of these activities and make them available to Customer upon request.

3.4. Packaging Operations

Supplier will pack and package the product using the agreed methods or best practices to protect the product from deterioration or damage during processing, storage, handling, and shipment.

Supplier shall keep records of these activities and make them available to Customer upon request.

3.5. Shipping Operations

Supplier will ship the product using the agreed methods and carrier to Customer or to a drop ship address provided by Customer.

Supplier shall keep records of these activities and make them available to Customer upon request.

3.6. Certificate of Compliance

Supplier will provide with each shipment signed and dated certificates of compliance for each batch, lot or serial number.

4. Documentation and Records

4.1. Product History Record

Supplier and Customer will agree on which party maintains selected portions of the Product History Record. The responsibilities are defined in Annex A.

Upon the request of Customer, Supplier shall make all records available within two working days.

4.2. Record Retention

Records required by the agreed upon quality system will be maintained for a minimum period of ten (10) years from the date of last production.

5. Storage and Shipment

5.1. Storage

Supplier shall establish and maintain procedures to control storage areas and stock rooms to prevent mix-ups, damage, deterioration, contamination, or other adverse effects.

Supplier shall ensure that all products are stored to facilitate proper stock rotation and that product is retrieved from stock using First In, First Out (FIFO) methodology.

5.2. Shipment

Supplier shall ship products to Customer or customer indicated locations using agreed shipping methods to prevent the damage or deterioration of the product.

Supplier is responsible for selecting adequate packaging for storage and transportation.

6. Change Control

6.1. Change Requests

If Supplier requests to change a document, specification, drawing, etc. under Customer's control, Supplier shall document the request including the specific change, the reason for the change, and if applicable, the benefit derived from approving the request, the loss incurred from disapproving the request, and the anticipated lead time before the change is reflected in the product.

Customer shall promptly acknowledge receipt of each change request.

Customer shall make a decision to accept or reject the change within thirty days of acknowledging receipt.

For accepted changes, Supplier and Customer will work together as needed to develop a plan to implement the change.

6.2. Deviations

If Supplier needs to deviate from a document, specification, drawing, process, material etc. relevant to the Customer's product, Supplier shall document the deviation request including the specific deviation, the reason for the deviation, and the period (time, lots, etc.) the deviation will be in effect.

Customer shall make a decision to accept or reject the deviation within thirty days of acknowledging receipt.

6.3. Other Changes

Supplier shall promptly notify Customer of changes, other than those documented above, in the product or service so Customer may determine whether the changes may affect the

quality of a finished product.

Customer shall make a decision to accept or reject the change within thirty days of acknowledging receipt.

7. Non-Conformance, CAPA, and Complaints

7.1. Disposition of Non-conforming Material and Product

Supplier shall segregate, investigate, and disposition all nonconforming material and product.

Supplier is not authorized to make rework and scrap dispositions without Customer's written authorization.

Concession or rework dispositions require Customer's written authorization.

If Supplier requests authorization for a rework or concession disposition, Supplier shall document the disposition request including

1. the failed inspection or test,
2. the inspection or test results, and, if applicable,
3. the proposed rework,
4. the proposed inspection and test of the repaired product.

Supplier shall update the risk analysis documents as needed to include information on the process or product nonconformity.

Supplier shall notify customer without undue delay of non-conforming product detected after shipment.

7.2. Supplier Initiated Corrective Action

Supplier shall initiate correction and corrective action for all detected nonconforming material regardless of disposition. Corrective Action shall include the following steps.

1. Any required containment and correction of the product
2. Determining the root cause(s) of nonconformity
3. Evaluate the need for action to ensure the nonconformity doesn't recur
4. Determine the action needed to prevent recurrence
5. Implement the action needed to prevent recurrence
6. Provision of evidence of the effectiveness of the corrective action
7. Review the effectiveness of the corrective action

Supplier shall keep records of these activities and make them available to Customer upon request.

7.3. Customer Initiated Corrective Action

Customer may initiate corrective action for Supplier when Customer identifies product or process nonconformity after receipt of Supplier's product.

Supplier shall initiate corrective action upon receipt of Customer's initiation. Supplier's Corrective Action shall include the following steps.

1. Any required containment and correction of the product
2. Determining the root cause(s) of nonconformity
3. Evaluate the need for action to ensure the nonconformity doesn't recur
4. Determine the action needed to prevent recurrence
5. Implement the action needed to prevent recurrence
6. Provision of evidence of the effectiveness of the corrective action
7. Review the effectiveness of the corrective action

Supplier shall report the results of the corrective action to Customer within 15 working days of initiation.

When the Corrective Action is not completed within 15 working days, Supplier shall provide a status report every 10 working days until the corrective action is completed.

Supplier shall keep records of these activities and make them available to Customer upon request.

7.4. Supplier Received Complaints

If Supplier receives a complaint related to the product, Supplier provides to Customer, Supplier shall promptly notify Customer.

Customer will enter the complaint into Customer's Complaint Management System and review and evaluate the complaint to determine whether an investigation is necessary.

Customer will notify Supplier of the decision to investigate or not.

If Customer requires Supplier's assistance in the investigation, Customer will follow Customer Initiated Corrective Action described above.

7.5. Customer Received Complaints

If Customer receives a complaint related to the product Supplier supplies, Customer will enter the complaint into Customer's Complaint Management System and review and evaluate the complaint to determine whether an investigation is necessary.

If Customer requires Supplier's assistance in the investigation, Customer will follow Customer Initiated Corrective Action described above.

7.6. Recall

If Supplier issues a Recall for the product Supplier provides to Customer, Supplier shall promptly notify Customer.

If Customer issues a Recall for the product Supplier provides to Customer, Customer shall promptly notify Supplier.

In all Recall situations, Supplier and Customer shall cooperate to ensure an effective recall. A recall strategy may be developed by either party, recall success criteria established as needed, and periodic recall status reports created..

8. Audits

8.1. Customer Audits of Supplier Facilities

Supplier shall allow Customer, Customer's clients, or Customer's authorized representative, to perform audits of Supplier's facilities, systems, documentation, and other requirements related to this agreement.

Audits shall be conducted at mutually agreed dates and times.

Supplier and Customer will agree upon methods to protect intellectual property such as confidentially agreements, non-disclosure agreements, etc.

8.2. Customer Audit Findings

When conducting audits at Supplier's location, Customer will issue an Audit Report within ten (10) working days of the audit's conclusion.

Supplier shall issue a plan to determine the correction, cause, and corrective action for each finding within thirty days of the Audit Report's issue date.

Annex A – Product History

Procedure and Record Responsibility			
	Customer	***Supplier***	***Location***
Product specifications and inspection and test requirements	*P (Primary)*	*S (Secondary)*	*Engineering change orders*
Production process quality planning	*S*	*P*	*Manufacturing change orders*
Manufacturing procedures		*P*	*QMS procedures s*
Inspection and test procedures		*P*	*(Final) Test, receiving, and in-process inspection plans and record*
Packaging specifications	*P (primary packaging for display and end-user)*	*P (secondary packaging for transport and storage)*	*Part of product specifications*
Distribution		*P*	*Shipping records*

Product Record	**Customer**	**Supplier**
• Date of manufacture		X
• Quantity manufactured		X
• Quantity released to Customer		X
• Acceptance records demonstrating product meets specifications and is made in accordance with the QMS		X
• Product identification (batch, lot or serial number)		X
Certificate of Conformity including product identification	X	X