



## W-8-7 SUPPLIER QUALITY CONTROL REQUIREMENTS

Rev. H

Date: 1/15/26

Approved by: Cindy Cerrigione

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### Scope:

This procedure defines the general quality control requirements applicable to Sterling Engineering Corporation's suppliers of purchased materials, components, and outside services incorporated into the products sold to Sterling Engineering Corporation's customers. It does not pertain to non-product related purchases for office supplies, tooling inserts, cutters, etc.

### General:

When referenced on the Sterling Engineering purchase order, this procedure sets forth the general quality control requirements applicable to Sterling Engineering Corporation's suppliers as defined in the scope statement above.

### Supplier Quality Control Requirements:

#### 1. Supplier Quality Control

- a. The supplier shall assign one of their personnel to be familiar with the requirements of this document and ensure compliance.
- b. If the requirements of the purchase order cannot be met, the supplier is to contact the Sterling Engineering Purchasing Department before beginning work.
- c. The supplier is required to have an implemented quality management system.
- d. The supplier shall demonstrate competence, including any required qualification of persons.

#### 2. Operation and Specification Control

- a. The supplier shall ensure that personnel work to the purchase order instructions, including operation sheets as applicable and required specifications.
- b. The supplier shall notify Sterling of changes in the QMS or business operations, including changes to their external providers or location of manufacture, and obtain Sterling's approval.



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- c. The supplier shall establish and maintain an effective FOD prevention program that meets the requirements of AS 9146.

### 3. Material Control

The supplier shall:

- a. Inspect material upon receipt for shipping damage, correct material, and quality.
- b. Inspect material periodically and take precautions to assure adequate storage conditions, guarding against damage from handling and deterioration.
- c. Identify and protect material from improper use or disposition.
- d. Maintain all marking and identification of parts supplied, including all software.
- e. Material and special process test reports/certifications must reflect all requirements of the drawing and/or specification and conform to drawing and/or specification limits. Documented evidence of this conformity, including listing of each material element or test result, must be documented in the applicable test report. This test report must be signed by a cognizant test laboratory person, clearly confirming which of the following is correct:
  - All tests and inspections have been performed and results meet the drawing and/or specification requirements, or
  - All tests and inspections have been performed and the results meet all the drawing and/or specification requirements,
  - except \_\_\_\_\_, which does not meet requirements, or
  - All tests and inspections have been performed and the results meet all drawing and/or specification requirements,
  - except test(s) \_\_\_\_\_, which was not performed in accordance with the drawing and/or specification requirements.
- f. The supplier shall not use any repair procedure such as welding, heat treatment, or conditioning by any process not approved by Sterling Engineering in writing or directed by purchase order instructions.
- g. Supplier shall complete all special requirements, critical items, and key characteristics communicated on the PO.



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- h. Supplier shall provide test, inspection, and verification (including production process verification).
- i. Supplier shall only use customer-designated or approved external providers, including process sources.
- j. The supplier shall provide test specimens for design approval, inspection/verification, investigation, or auditing.
- k. The supplier shall plan, implement, and control counterfeit part prevention processes in accordance with AS6174 or AS5553, as applicable. The supplier shall ensure that the counterfeit part prevention process includes a mechanism for reporting counterfeit parts to SEC's purchasing representative within 3 working days of it being confirmed, unless the end use customer is P&W. In that situation, SEC's purchasing representative must be notified within 24 hours of it being confirmed.

### 4. Inspection

- a. The supplier shall maintain a positive system for the identification of inspection status of supplied material.
- b. Identified critical/key characteristics must be inspected 100% and variable data recorded if possible.
- c. The supplier shall use statistical techniques for product acceptance and related instructions for acceptance.

### 5. Sub-Contracted Work

- a. The supplier shall not subcontract any work without prior approval from Sterling Engineering.
- b. Applicable requirements in the purchasing documentation, including key characteristics where required, must be flowed down to the sub-tier suppliers.



## W-8-7 SUPPLIER QUALITY CONTROL REQUIREMENTS

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- c. If approval is granted, the supplier must use Sterling-approved subcontractors for special processes, and ensure all proper flow-down requirements to sub-tier suppliers.
- d. The supplier shall control and monitor external providers' performance.

### 6. Calibration

- a. The supplier shall maintain a calibration system in accordance with Calibration Specification ANSI/NCSL Z540.3, Calibration Specification, ISO 17025, ISO 10012-1 or equivalent.

### 7. Nonconforming Material

- a. Sterling Engineering must be notified immediately of any nonconformance. Written reports must be initiated and forwarded to Sterling Engineering Quality Assurance Manager or that person's designee. The notification must include the cause and corrective action for the nonconformance and evidence of corrective action implementation.
- b. Nonconforming material shall be segregated and properly identified at all times in the Supplier facility, pending disposition.
- c. In the event a nonconformance is detected at Sterling Engineering's receiving/final inspection that was not previously reported by the supplier, that will be considered an escape. When Sterling Engineering detects/identifies an escape, a request for formal documentation of root cause/corrective action for the generation of the nonconforming condition AND the detection failure at the supplier's facility will be initiated. This must be documented on Sterling Engineering's SCAR or the supplier may use their own format as long as it provides all of the information requested on Sterling Engineering's SCAR. Evidence of corrective action implementation for the generation and detection of the complaint condition must be provided. The supplier's formal documented response must be returned by the due date stipulated on the SCAR or within 5 business days if no due date is listed on the SCAR. Containment at the supplier must be initiated immediately upon notification of the escape so that no further shipments are made until the complaint condition is verified and the product stopped from shipment.



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### 8. Marking

- a. When marking is removed by supplier processing, the marking shall be reapplied to the part using an approved Sterling Engineering method. The method shall not be detrimental to the part.

### 9. Right of Inspection

- a. Sterling Engineering, and/or our customer, and regulatory authorities have right of access to your facility and all applicable records (i.e., quality requirements, inspection reviews, certifications, etc.). If Sterling's customer contacts you directly to survey your facility, you must notify Sterling Engineering immediately. This will give Sterling Engineering an opportunity to accompany the customer at your facility.

### 10. Records

- a. Records are to be retained on file by supplier for a period of at least ten years unless otherwise specified by end-user record retention requirements after completion of the order.

### 11. General

- a. The supplier is responsible for product conformity.
- b. The supplier must maintain product safety.
- c. The supplier must maintain a high level of ethical behavior.

### 12. OEM End Use – Requirements Flow Down

12.1 If Pratt & Whitney end use is specified on the purchase order, the latest version of ASQR-01, AS 13100, and AS9100 shall apply.

12.2 If GE Aviation end use is specified on the purchase order, the latest version of S-SPEC-1 (S-1000), AS 13100, and AS9100 shall apply.



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13. Supplier Performance Metrics – Sterling Engineering monitors supplier on time delivery and quality acceptance results on a quarterly basis. Minimum targets for supplier on time delivery and quality acceptance rates are established each year by Sterling Engineering's leadership team in order to drive continual improvement.

13.1 A supplier's on time delivery score is calculated based on the number of parts received on time compared to the total number of parts received to determine the percentage of parts received on time.

13.2 A supplier's quality acceptance percentage is determined based on the number of parts received that are fully conforming compared to the number of parts that are received nonconforming. If the nonconformance was reported to Sterling Engineering as defined in par. 7a, the nonconforming quantity is the same as that reported by the supplier. If the nonconforming part received was not previously reported by the supplier and is considered an escape, the nonconforming quantity will be multiplied by a factor of 10 and the quality acceptance rating calculated based on a nonconforming quantity of 10 X the escape quantity plus the quantity of nonconforming parts received that were identified by the supplier as defined in par. 7a.

13.3 Should the supplier's on time delivery or quality acceptance percentage fall below the established minimum targets, the supplier will be required to participate in risk mitigation activities deemed appropriate by Sterling Engineering's quality/operations management team. These risk mitigation activities may include but are not limited to: onsite visits, conference calls, corrective action requests, supplier audits, etc. Failure to improve the performance metrics to an acceptable level for two or more consecutive quarters will affect the supplier's standing on Sterling Engineering's Approved Supplier List, up to and including disapproval.



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## Revision History

REVISION	DATE	SECTION	PARAGRAPH	SUMMARY OF CHANGE	AUTHORIZED BY
B	04/16/21	N/A	N/A	Revision Block added	Sandra Rogers
C	1/21/22	N/A	12	Par. 12-12.2 added	Cindy Cerrigione
D	11/1/22	SCOPE	N/A	Scope heading added. Subsequent paragraph revised	Cindy Cerrigione
		General	N/A	Revised to clarify application of procedure	
		Calibration	6.a.	ISO 17025 added to this paragraph	
E	1/26/23	Operation and specification control	2b	Revised to clarify intent	Cindy Cerrigione
			2c	Paragraph added	
		Material and specification control	3e	Revised to clarify requirements for test reports	
			3l	Paragraph added	
		Nonconforming Material	7c	Deleted paragraph because requirement specified in par. 3.l	
		OEM Flow Down	12.1-12.2	Revised to flow down AS 13100	
F	11/2/23	Material and specification control	3.g.	Deleted. Subsequent paragraphs renumbered	Cindy Cerrigione
G	10/4/24	Material Control	K	Revised to add specific reporting time of 24 hours for P&W End Use	C. Cerrigione
H	1/15/26	Nonconforming Material	7a, 7c	Par. 7a revised to require cause/corrective action to be provided with notification of nonconforming material. Par. 7c added to address supplier escapes	C. Cerrigione
		Supplier Performance Metrics	13-13.3	Added	