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Parish Engineering Co. Pty. Ltd. ABN: 80 004 239 696

## **Supplier Quality Assurance Requirements**

### Acronyms/Definitions:

PEC: Parish Engineering Co. Pty. Ltd

SQAR: Supplier Quality Assurance Requirements

Supplier: The entity with whom PEC has contracted for the supply of products, materials, or services.

PO: Purchase Order – The commercial document issued by PEC to a Supplier, indicating type, quantity and agreed prices for products, materials, or services.

ERP: Enterprise Resource Planning

QMS: Quality Management System

### Introduction:

PEC is committed to working with Suppliers to ensure customer satisfaction through conformance to QMS requirements. This procedure defines the minimum QMS requirements for suppliers of any product, material or service that are procured by PEC. PEC intends to establish and maintain long-term relationships with Suppliers who adhere to these requirements and operate a QMS that effectively controls all aspects of the product or service.

### Scope:

This SQAR document defines specific terms and conditions for obtaining and maintaining PEC approved supplier status and specifies the minimum QMS requirements.

### Supplier Approval:

PEC will evaluate both current and potential suppliers' ability to comply with the requirements defined in this document. This may include on-site assessment. Once approved, a defined scope of products and/or processes will be entered into our ERP system and PO's may then be placed by our buyers.

PEC reserves the right to withdraw its approval at any time. Continued approval is dependent upon evidence of continued compliance with these requirements and satisfactory product quality performance. PEC must be advised immediately of any changes to the supplier's certification or approved scope of products and/or processes.

### Purchase Order Conditions:

PO requirements will be stipulated based on specific part requirements. The QMS and Certification requirements of the Supplier form part of the PO conditions. These conditions are to be understood by the Supplier and adhered to as part of the acceptance of any PO. Failure to comply with the conditions assigned will result in the associated parts being rejected.

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### Quality Management System:

The following are the minimum requirements of the Supplier's QMS.

#### 1. General Requirements

These general requirements shall apply to the Supplier when SQAR is stated on the PO. Compliance to this document is integral to maintaining Suppliers Approval. It forms part of PEC's QMS associated with Supplier Control and therefore supports PEC's commitment to customer satisfaction.

Suppliers shall ensure that approved methods, processes, and equipment is used and that all staff have the appropriate qualifications and competency, and they are aware of the importance of product and service conformity and ethical behaviour.

#### 2. Contract Review and Process Planning

Contract Review shall include a review of all PEC requirements, (e.g. drawing instructions, process specifications, purchasing requirements) to ensure that appropriate controls are incorporated into the Supplier's own documented procedures.

The Supplier shall ensure that all appropriate personnel are familiar with PEC drawings and process specifications for work undertaken and that controlled drawings and specifications are made available at the place of operation.

#### 3. Purchasing

Suppliers will not subcontract out any part of PEC purchase orders without approval.

#### 4. Handling, Storage, Delivery

The supplier shall use methods of handling, storing product and delivery that prevents damage, deterioration, and foreign object damage (FOD).

On time delivery is essential. If at any stage a job in progress is affected in a manner that may result in a delay, PEC must be informed immediately.

All materials and products must be supplied with a delivery docket, and where required a manufacturer's certificate of conformance or material certification as requested on the PO.

#### 5. Calibration

The Supplier shall control, calibrate, and maintain, inspection, measuring and test equipment which demonstrates traceability to national standards.

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#### 6. Corrective Action

The supplier shall have a system for corrective action when errors occur that will ensure action is taken to correct the problem and prevent recurrence of the error.

At a minimum, the corrective action response shall include:

- Immediate Correction/Containment Action
- Root Cause Analysis
- Lessons Learnt (what action has been taken to prevent repeating the error).

#### 7. Control of Nonconforming Product

Nonconforming products are defined as any products that fail to meet the requirements of the PEC drawing, process specification or purchasing requirements as stated on the PO.

Nonconforming products shall be identified, labelled, quarantined, and scrapped to prevent its unintended use.