



QMSM-1001 Appendix C

SUPPLIER MANUAL

Date	Author	Approver
Aug. 22, 2025	J. Perrault QA Manager	M. Eby President

Table of Contents

1.0.	PURPOSE / SCOPE	2
2.0.	RESPONSIBILITY	2
3.1.	PROPRIETARY AND CONFIDENTIAL INFORMATION.....	2
3.2.	USE OF MARKS AND IMAGES.....	3
3.3.	USE OF SUB-TIERS	3
3.4.	CHANGES AND CANCELLATIONS.....	3
3.5.	RIGHT OF ACCESS	3
3.6.	CONTRACT REVIEW	3
3.7.	INSPECTION, TESTING AND NONCONFORMANCE	4
3.8.	TRACEABILITY	4
3.9.	XACT AND CUSTOMER SUPPLIED MATERIAL.....	4
3.10.	PREVENTION OF SUSPECT, COUNTERFEIT AND MIS-REPRESENTED PRODUCTS AND SERVICES	5
3.11.	NOTIFICATION OF ESCAPE (NOE) / DISCLOSURE.....	5
3.12.	GUARANTEES, WARRANTIES AND REMEDIES	6
3.13.	RECORDS	6
3.14.	FOREIGN OBJECT DEBRIS (FOD)	6
3.15.	TAXES, TARIFFS, DUTIES AND FEES	7
3.16.	FREE ON BOARD (FOB) POINT	7
3.17.	SURVIVAL OF TERMS	7
3.18.	PROVISIONS FOR TRANSFER OF OWNERSHIP AND INSOLVENCY	7
3.19.	PAYMENT TERMS	8
3.20.	PACKAGING AND HANDLING	8
3.21.	SUPPLIER DOCUMENTATION	8
4.0.	XACT SUPPLIER CRITERIA.....	9
4.1.	SELECTION CRITERIA	9
4.2.	TYPES OF CONTROL AND MONITORING.....	10
4.3.	APPROVAL REQUIREMENTS.....	10
4.4.	CODES	10
4.5.	MONITORING OF SUPPLIERS PERFORMANCE	13
4.6.	CORRECTIVE ACTION AND SUPPLIER ESCALATION	13
5.0.	SUPPLIER ACKNOWLEDGEMENT	15
6.0.	REFERENCES	15

1.0. PURPOSE / SCOPE

- 1.1. This manual describes the general and specific terms and conditions of products and services purchased by Xact Machining Inc. (also referred to as Xact, us, we, our).
- 1.2. Xact places high value in our supply chain and enters all discussions and purchase contracts in good faith with the expectation of reciprocal integrity, fair value and commitment to employee wellbeing and environmental safety to ultimately provide our end customers with high levels of satisfaction.
- 1.3. These details are provided to inform the supplier of requirements and to provide information to ensure:
 - a. Procurement of products and services conform to Xact requirements, our customers requirements and regulatory and industry requirements.
 - b. Understanding the selection, evaluation, and ongoing re-evaluation of suppliers of products and services that contribute to the Xact supplier value equation.

2.0. RESPONSIBILITY

- 2.1. It is the responsibility of the supplier to ensure that they are working to the latest version of all documents related to the purchase contract (also referred to as contract, purchase order, PO). This includes but is not limited to, standards, drawings, and this manual.
- 2.2. The requirements stated herein are binding unless otherwise stated on the contract or existing agreement of supply (i.e. Xact accepted Supplier Terms of Sale)

3.0. REQUIREMENTS

- 3.1. **Proprietary and Confidential information**
 - 3.1.1. All information provided by Xact for the purposes of quotation or contract fulfillment is considered proprietary and confidential information (PCI) to Xact.
 - 3.1.2. Documented information and general knowledge obtained during the execution of Xact contracts is also considered PCI to Xact.
 - 3.1.3. Xact downstream customer information (i.e. drawings, processes, formulations) is subject to the owners' proprietary rights and the limitations stated herein.
 - 3.1.4. Use of or disclosure of PCI including but not limited to, technical information, cost structure, schedule or Xact client relationships for anything other than quotation or execution of contract is forbidden.
 - 3.1.5. The supplier shall take all reasonable steps to ensure PCI integrity and security. Safeguards to ensure unintended use, alteration or dissemination of PCI does not occur shall be considered.
 - 3.1.6. Use of Xact PCI with the suppliers' sub-tiers is similarly restricted to the quotation and execution Xact contracts and shall have similar controls in place at the supplier sub-tier.

3.2. Use of marks and images

- 3.2.1. The use of the Xact name or logo, Xact's downstream customers name or logo, examples of products, processes or services related to Xact contracts in supplier marketing and promotional materials, or similar applications must be approved by the Xact president prior to use.

3.3. Use of Sub-Tiers

- 3.3.1. No part of the contract may be offloaded or transferred to another source of supply without written approval from Xact. This does not include supplier sources of supply of raw materials, hardware or planned sub-tiers that are disclosed as part of the initial quotation of products and services.
- 3.3.2. Should a supplier seek to temporarily offload or transfer some or all of a contracted service, Xact reserves the right to scrutinize the selected sub-tier and sub-tier pricing and to transfer some or all of the Xact contract to the proposed "transfer to" supplier to maintain control of the supply chain.
- 3.3.3. Xact reserves the right to suspend or dis-approve the use of specific sub-tier sources of supply regardless of historical usage or Xact customer approved supplier status.
- 3.3.4. All requirements of this document and related contracts shall be flown down to the supplier's sub-tier.

3.4. Changes and Cancellations

- 3.4.1. Xact reserves the right to change or cancel contract requirements with no additional charges. Changes that result in pricing differences or one time tooling charges may be negotiated before acknowledgement of change.
- 3.4.2. Costs of process development, orders of materials and services, work in progress and purchase of inventories and finished goods resulting from changes or cancellations may be assumed by Xact at the sole discretion of Xact at the original contract cost or fair market value.

3.5. Right of Access

- 3.5.1. Xact and by extension, our customers, regulators and other interested parties reserve the right of access to the suppliers and suppliers- sub tiers facilities and relevant original documented information for the purposes of auditing, investigation and collaborative continuous improvement.
- 3.5.2. All activities will be coordinated through Xact unless otherwise compelled by regulatory or other non-biased legal requirement.
- 3.5.3. Limitations of access due to demonstrated proprietary secret processes, Canada Controlled Goods Program (CGP), International Traffic in Arms Regulations (ITAR), International Atomic Energy Agency (IAEA) or similar shall be declared prior to acceptance of contract.

3.6. Contract Review

- 3.6.1. Suppliers are responsible to complete contract review during initial quotation and acceptance of new or recurring contracts to ensure understanding of the requirements and their ability to fulfil the contract.

QMSM-1001 Appendix C

Supplier Manual

- 3.6.2. Prior to quotation or acceptance of new or recurring contracts, unclear requirements, configurations and uncertain pricing, lead times or delivery dates shall be resolved.
- 3.6.3. Where specific customer or industry standards are not stated, typical or industry accepted materials, methods, processes, best practices and workmanship standards shall be utilized in the quotation and execution of the contract.

3.7. Inspection, Testing and Nonconformance

- 3.7.1. All inspections and tests and required documentation to demonstrate compliance with contract requirements are the responsibility of the supplier.
- 3.7.2. Xact reserves the right to validate compliance of products and services at receipt prior to acceptance.
- 3.7.3. Xact reserves the right to perform final or in-process validation of compliance at the supplier facility prior to delivery or invoicing.
- 3.7.4. Receipt and acceptance of products and services by Xact or our customers does not constitute absolute acceptance.
- 3.7.5. Root cause and corrective action activities related to a noncompliance after receipt by Xact, whether by the result of supplier disclosure, Xact inspection or downstream inspection or other means shall be as directed by Xact.
- 3.7.6. All fabricated finished or semi finished products shall at minimum have a documented first off or first article inspection on file that evidences compliance to the contract requirements.
- 3.7.7. Suppliers of fabricated finished or semi finished products for aerospace applications shall provide a first article inspection reports in accordance with AS9102. [1] [2]
- 3.7.8. All product that is nonconforming or suspected to be nonconforming to contract requirements shall be submitted for review and further disposition prior to shipment to Xact or otherwise represented as conforming.

3.8. Traceability

- 3.8.1. Where the supplier provides products and services that form part of an Xact deliverable item, at minimum traceability to supplier shop router, job number, load, etc. shall be maintained.
- 3.8.2. Where serialization is required complete traceability and documented information shall be maintained for each serial number.

3.9. Xact and Customer Supplied Material

- 3.9.1. Where Xact or our customers have provided material, full accounting of material usage is required. Products that cannot be returned to contract requirements within the scope of current engineering, including SCRAP and OBVIOUS SCRAP shall be reported to Xact.
- 3.9.2. These materials including drop offs, end cuts and solid cut outs shall be considered Xact property and returned unless to Xact unless otherwise directed.

QMSM-1001 Appendix C

Supplier Manual

- 3.9.3. Where Xact or our customers have provided material, the supplier shall not use the material for applications other than as contracted or replace the provided materials without prior written approval.

3.10. **Prevention of Suspect, Counterfeit and Mis-represented Products and Services**

- 3.10.1. All products that are completed, near completion or otherwise possibly identifiable as unique finished products that will not be used for contract fulfillment or retained as available stock, shall be physically mutilated or conspicuously and permanently marked to prevent unintended use, reverse engineering or other unauthorized use. This includes scrap, obvious scrap, samples and mock-ups.
- 3.10.2. Where the supplier secures raw materials, consumables related to deliverables and special processes in the fulfillment of contract, all efforts shall be made to ensure that the sources of supply and product origin are reputable, traceable and have a suitable level of specific product or service industry knowledge.
- 3.10.3. Where the contract stipulates specific sources of supply, Xact customer approved suppliers or if the supplier should know or ought to know that industry certifications and approvals are intended, the supplier shall ensure that these sources are utilized. Where uncertainty exists, confirmation of acceptable sources of supply shall be received from Xact.
- 3.10.4. Substitutions or replacements of specified material or hardware to other similar or seemingly equivalent standard shall be approved by Xact prior to use.
- 3.10.5. Changes to the supplier's quality system, Xact customer approved supplier status or regulatory approval status that could impact the supplier's ability to confirm compliance of previously or to be provided products and services or impact Xact supplier approval shall be disclosed to Xact in a timely manner.

3.11. **Notification of Escape (NOE) / Disclosure**

- 3.11.1. Should noncompliance, defect, failure or other variations of counterfeit products and services be identified or suspected by the supplier after delivery to Xact the supplier shall disclose, in a timely manner, the issue to Xact in writing.
- 3.11.2. Suppliers of products and services for Aerospace or Nuclear applications shall disclose the noncompliance, defect or failure within 48 hours of confirmation of the issue.
- 3.11.3. In all cases disclosure shall, to the extent possible, include:
- a. Specific part number and revision of parts delivered
 - b. "SHOULD BE / IS" statement of deviation from contract requirements
 - c. Full traceability for product shipped (serial number, job number, heat lot, load number, etc.)
 - d. Quantities delivered
 - e. Dates of delivery
 - f. Supplier packing slip numbers

3.12. Guarantees, Warranties and Remedies

- 3.12.1. Should noncompliance, defect or failure attributable to the supplier be identified after acceptance the responsibility for the noncompliance, defect or failure and fulfillment of contract remains the responsibility of the supplier.
- 3.12.2. The supplier shall warrant and guarantee all products and services be free from noncompliance, defect or failure for a **minimum of 12 months** from receipt by Xact.
- 3.12.3. Suppliers of products and services for Aerospace or Nuclear applications shall also warrant and guarantee all products and services be free from noncompliance, defect or failure for a **minimum of 24 months** from the beginning of service life or **48 months** from receipt by Xact.
- 3.12.4. The supplier agrees via warranty and guarantee, to re-perform services, reproduce or repair products, provide full credit or refund or otherwise make right as determined by Xact at no additional cost to Xact.
- 3.12.5. Xact reserves the right to determine the best method and source for rework, repair or to seek customer concession for products and services that do not meet contract requirements.
- 3.12.6. Costs, including manpower and materials, for rework, repair, handling or administrative fees incurred by Xact will be passed down to the supplier.
- 3.12.7. Should failure of supplier performance, product performance or provided service performance result in charges to Xact from our downstream customers, said charges will be flown down to the supplier.

3.13. Records

- 3.13.1. Documented information related to the execution of a contract and those that support evidence of compliance shall be retained by the supplier for no less than ten (10) years unless otherwise specified.
- 3.13.2. At the end of the ten (10) year period, suppliers of products and services for aerospace applications shall notify Xact of "intent to destroy" dated records. Xact reserves the right to request transfer of some or all of the documented information to Xact in mutually agreeable format prior to destruction.
- 3.13.3. Suppliers shall ensure that provisions for retrieval of data after catastrophic event, human error or other similar event that results in the loss of documented information are considered.

3.14. Foreign Object Debris (FOD)

- 3.14.1. The supplier shall ensure that an awareness and prevention program is in place to ensure that FOD does not enter or move through the supply chain.
- 3.14.2. This includes entrapped items such chips, deburring, grinding and polishing media, remnant tooling, inclusions on painted surface, packaging materials, etc.
- 3.14.3. This also includes undesirable residues and remnants of paint masking, paint splatter, welding splatter, release agents, coolants, oils and greases, etc.

3.15. Taxes, Tariffs, Duties and Fees

- 3.15.1. Proper application of taxes, tariffs, duties and fees for products and services shall be calculated by the supplier. Errors or miscalculations are the responsibility of the supplier.
- 3.15.2. Where a supplier cannot feasibly calculate or collect taxes, tariffs, duties and fees the burden to Xact shall be clearly indicated on quotation or tender.
- 3.15.3. Errors or miscalculations that result in excessive charges incurred by Xact shall be refunded or credited to Xact.
- 3.15.4. Refunds, rebates, rollbacks and other similar changes to taxes, tariffs, duties and fees shall be refunded or credited to Xact. This does not apply to local business incentive and assistance programs.
- 3.15.5. Where changes are made to the typical application of taxes, tariffs, duties and fees Xact shall be notified of changes.

3.16. Free on Board (FOB) point

- 3.16.1. The FOB point for inbound materials to Xact shall be considered the contract ship to location unless the carrier is Xact or contracted by Xact. In such cases the FOB point is the supplier's premises or last point of control.
- 3.16.2. The FOB point for outbound materials shall be the supplier's premises unless the carrier is the supplier or is contracted by the supplier. In such cases the FOB point is Xact's premises or the last point of Xact control.

3.17. Survival of Terms

- 3.17.1. In addition to the limitation stated in changes and cancellations, the supplier agrees that in the event of cancellation of contracts, changes in approval status of the supplier or other changes in contract and business relationship, the requirements for warranty, guarantees and remedies, disclosure, right of access and records shall stand to the extents stated herein.

3.18. Provisions for Transfer of Ownership and Insolvency

- 3.18.1. Should a supplier become insolvent or transfer ownership, provisions for the retention and retrieval of documented information and fulfillment of post delivery obligations, shall be included in proceedings by the supplier or supplier's holdings administrators.
- 3.18.2. Should a supplier become insolvent, or transfer ownership and cannot fulfil the requirements for retention and retrieval of documented information, the documented information related to Xact contracts shall be considered Xact property. Provisions for the transfer of physical and intellectual ownership, at no additional cost, shall be made by the supplier or supplier's holdings administrators.
- 3.18.3. Should a supplier become insolvent, or transfer ownership Xact reserves the right to secure materials and finished goods related to Xact contracts, that are within the suppliers' control, at or below the contracted cost or supplier paid cost.

QMSM-1001 Appendix C

Supplier Manual

3.18.4. Should a supplier become insolvent, or transfer ownership all contract and quotation pricing shall remain in place until the original natural end of the existing pricing agreements.

3.19. Payment Terms

3.19.1. Xact payments terms are **net 30 days** from receipt of invoice.

3.19.2. Xact will not accept or pay for products or services that are delivered or invoiced ***before 21 days of the expected delivery date.***

3.20. Packaging and Handling

3.20.1. The Supplier shall package all materials bound for Xact in such a manner as to ensure preservation and integrity of the product.

3.20.2. In the case of material handling of ferrous materials, use of corrosion inhibiting compound or other oxidizing environment control is strongly encouraged.

3.20.3. Consideration should include product configuration, carrier selection, method of transportation, distance to be covered, carrier hubs and consolidation points, seasonal factors, etc.

3.20.4. Costs incurred by Xact from excessive packaging or to mitigate handling damages may be flown down to the supplier.

3.21. Supplier Documentation

3.21.1. All products shipped to Xact shall have at minimum a packing slip or bill of lading that contains the following information:

- a. Supplier Name
- b. Part Number, material or process as stated on the purchase order
- c. Purchase Order number and line-item number
- d. Quantity Shipped and unit of measure
- e. Date Shipped
- f. Country of Origin (When the original source of supply is not Canadian)

3.21.2. When Statement of Compliance is specified, there are four (4) level that can be indicated. Specific requirements are shown in the table below.

Level 0 – Default if not stated. Pack slip or Bill of Lading only.

Level 1 - Statement of Compliance

Level 2 - Traceable Material

Level 3 – Complete

Level 4 - First Article

QMSM-1001 Appendix C Supplier Manual

Requirement	Statement of Compliance	Traceable	Complete	First Article
Seller Name	X	X	X	X
Manufacturer of Product (if different from Seller)	X	X	X	X
Part Number, Material or Process as stated on the purchase order	X	X	X	X
Drawing and/ or material standard with revision and contract modifications	X	X	X	X
Purchase Order number and line-item	X	X	X	X
Quantity Shipped	X	X	X	X
Lot traceability identifier		X	X	X
Special processes, specification, revision, processor, CofC number		X	X	X
Serial Number(s) if applicable		X	X	X
Copies of all material and special process certifications			X	X
Test report data (if applicable)			X	X
A statement of compliance signed by an authorized member of Seller's quality function	X	X	X	X
Aerospace - First Article per AS9102				X
Others – Full dimensional report				
Complete results of inspection test plan			X	X

Table 1- Supplier Documentation

4.0. XACT SUPPLIER CRITERIA

4.1. Selection Criteria

- 4.1.1. The selection and approval requirements listed below are for reference only. Current requirements are maintained in Xact procedure *XACTP-1010 - Procurement - Supplier Control*. [1]
- 4.1.2. Selection of sources is performed at the discretion of the president or members of the management team with due consideration to contract requirements. Primary considerations are given to supplier service:
 - Cost
 - Availability
 - Existing customer/ client relationships
 - Specific sector knowledge

QMSM-1001 Appendix C

Supplier Manual

- 4.1.3. Preference is given to suppliers that maintain a relevant "higher level" certified management or performance system. i.e., AS 91XX [3], N299.X [5], PRI Industry Managed Accreditation [6], ISO Management Systems Standards (MSS) [7], IATF 16949 [8].

4.2. Types of Control and Monitoring

- 4.2.1. Xact sources of supply will be maintained on an Approved Suppliers List (ASL). The status of the supplier will be shown as:

C – Conditional

A – Approved

R – Removed

CD – Customer Directed

- 4.2.2. Sources of supply are grouped into the following commodity types. These groups allow for varying levels of monitoring and control as related to risks associated with value add (deliverable materials and processes), product compliance and general business functionality.

F Fabricator

P Processor

M Material

T Tooling

FC Facilities

G General

4.3. Approval Requirements

- 4.3.1. The risk category, control level and monitoring level of suppliers is determined by the Xact Quality Manager.
- 4.3.2. In cases where a supplier provides products and services in multiple categories it is at the discretion of the quality manager to split, omit or combine products and services for the purposes of approval and monitoring levels.

4.4. Codes

4.4.1. CODE **G** – General

- No QMS review or monitoring is required.
- Supplier is considered provider of "Open Market" products and services.
- This code covers a wide variety of items that have no direct impact on product compliance and customer satisfaction. e.g. office supplies, general consumables, services and utilities

4.4.2. CODE **T** – Tooling

- No QMS review or monitoring is required unless customer control of tooling sources, materials or conditions is required
- Selection of supplier is performed by the president or production management and is considered "Open Market".

QMSM-1001 Appendix C

Supplier Manual

- c. This code covers consumable tooling, off the shelf and custom fixturing and components related to the manufacturing process.
- d. The president or QA Manager may opt to implement KPI monitoring in the cases of high spend or for the evaluation of quality and delivery concerns

4.4.3. CODE **FC** – Facilities

- a. No QMS review or monitoring is required unless customer control is required
- b. Selection of supplier is performed by the president or production management and is considered "Open Market".
- c. This code covers services, consumables and products related to the business infrastructure. e.g. production resource maintenance, coolants and lubricants, scrap material management
- d. The president or QA Manager may opt to implement KPI monitoring in the cases of high spend or for the evaluation of quality and delivery concerns

4.4.4. CODE **F** – Fabricator

- a. Evaluation of the supplier's ability to comply with purchase order or contract requirements is required.
- b. Suppliers will complete a self audit
- c. Suppliers that hold certification to a higher lever QMS [4] [5] [6] [7] [8] or performance standards may be approved by a review of **two (2)** or more of the following:
 - Certifications
 - Relevant registrar reports
 - Internal and external KPI's
 - Capability and capacity assessment
- d. Suppliers that do not hold certification to a higher lever QMS [4] [5] [6] [7] [8] or performance standards may be approved by a review of **three (3)** or more of the following:
 - Adequacy and achievement of internal and external KPI's
 - Capability and capacity assessment
 - Actual KPI performance with Xact for a period of no less than 6 months
 - On-site audit of product and process controls
- e. This code covers all value add that physically alter the deliverable product. e.g. waterjet, wire EDM, gun drilling, welding.

4.4.5. CODE **P** – Processor

QMSM-1001 Appendix C

Supplier Manual

- a. Evaluation of the supplier's ability to comply with purchase order or contract requirements is required.
- b. Suppliers will complete a self audit
- c. Suppliers that hold certification to a higher lever QMS [4] [5] [6] [7] [8] or performance standards may be approved by a review of **two (2)** or more of the following:
 - Certifications
 - Relevant registrar reports
 - Internal and external KPI's
 - Capability and capacity assessment
- d. Suppliers that do not hold certification to a higher lever QMS [4] [5] [6] [7] [8] or performance standards may be approved by a review of **three (3)** or more of the following:
 - Adequacy and achievement of internal and external KPI's
 - Capability and capacity assessment
 - Actual KPI performance with Xact for a period of no less than six (6) months
 - On-site audit of product and process controls
- e. This code covers all value add that alter the appearance, condition or state of the deliverable product. e.g. heat treat, NDT, chemical processes, application of coatings.

4.4.6. CODE M – Material

- a. Evaluation of the supplier's ability to comply with purchase order or contract requirements is required.
- b. Suppliers will complete a self audit
- c. Suppliers that hold certification to a higher lever QMS [4] [5] [6] [7] [8] or performance standards may be approved by a review of **two (2)** or more of the following:
 - Certifications
 - Relevant registrar reports
 - Internal and external KPI's
 - Capability and capacity assessment
- d. Suppliers that do not hold certification to a higher lever QMS [4] [5] [6] [7] [8] or performance standards may be approved by a review of **three (3)** or more of the following:
 - Adequacy and achievement of internal and external KPI's

QMSM-1001 Appendix C

Supplier Manual

- Capability and capacity assessment
 - Actual KPI performance with Xact for a period of no less than six (6) months
 - On-site audit of product and process controls
- e. This code covers all suppliers of deliverable BOM materials including distributors. e.g. hardware used in assemblies, raw materials

4.5. Monitoring of Suppliers Performance

- 4.5.1. Sources of supply that are "One time buy" or rarely used are not evaluated for long term suitability and performance.
- 4.5.2. Key suppliers are identified by Xact in categories M, P and F or additionally as determined by the Xact management team.
- 4.5.3. Key suppliers will be evaluated on the following performance criteria:

On-time Delivery: >=90%

Quality Acceptance: >= 95%

Customer service: >=3 out of 5

- 4.5.4. On-time delivery will be evaluated based on performance to expected delivery dates.
- 4.5.5. Deliveries shall be considered on time when received on-dock at Xact on the expected delivery date and up to **plus three (3) business days**.
- 4.5.6. Deliveries received on-dock at Xact before **minus seven (7) business days** of the expected delivery date are considered early and negatively impact on-time delivery.

NOTE: Purchase orders issued with a delivery requirement of "ASAP", "Best Available" or similar and are considered on-time at receipt.

- 4.5.7. Quality Acceptance will be evaluated based on **1- (receipts with rejected items / receipts)**.
- 4.5.8. Customer Service evaluation is a soft based score determined at the discretion of the President or management team. This score is determined out of a possible score of **five (5)**. Consideration will be given to topics such as flexibility, responsiveness, competitiveness, historical goodwill, etc....

4.6. Corrective Action and Supplier Escalation

- 4.6.1. Suppliers that exhibit performance in on-time delivery or quality acceptance that do not meet the performance criteria for a continuous period of **six (6) months** shall develop a corrective action plan that addresses the systemic issues that contribute to the performance level.
- 4.6.2. Discovery by Xact, Xact's downstream customers or supplier disclosure of nonconformances and service failures may result in Root Cause and Corrective Action request from the supplier.
- 4.6.3. Corrective actions may also be launched at the request of the Xact management team.

QMSM-1001 Appendix C

Supplier Manual

- 4.6.4. Corrective action will be performed and documented in accordance with customer requirements or Xact procedures. Corrective action completed in the suppliers' format may be considered.
- 4.6.5. Failure to implement adequate corrective action or otherwise regain minimum performance levels may result in the supplier being barred from new business quotation, transfer of work to an alternate source or may be Removed from the Xact ASL.

5.0. SUPPLIER ACKNOWLEDGEMENT

- 5.1. Supplier acceptance of purchase order or contract shall be considered acceptance of the terms and conditions stated herein.

6.0. REFERENCES

- [1] AS9102 - Aerospace First Article Inspection Requirement.
- [2] International Aerospace Quality Group (IAQG), "IAQG Forms Management," [Online]. Available: <https://iaqg.org/standards/forms/>.
- [3] XACTP-1010 - Procurement -Supplier Control.
- [4] International Aerospace Quality Group (IAQG), "IAQG Published Standards," [Online]. Available: <https://iaqg.org/standards/>.
- [5] Canadian Standards Associatio (CSA), "CSA Nuclear Standards," [Online]. Available: <https://www.csagroup.org/store/nuclear/>.
- [6] Performance Review Institute (PRI), "PRI - NADCAP," [Online]. Available: <https://www.p-r-i.org/nadcap>.
- [7] International Organization for Standardization (ISO), "ISO Management System Standards," [Online]. Available: <https://www.iso.org/management-system-standards-list.html>.
- [8] International Automotive Task Force (IATF), "IATF Publications," [Online]. Available: <https://www.iatfglobaloversight.org/iatf-publications/>.

QMSM-1001 Appendix C Supplier Manual

Rev	Date	Author	Approver	Description of Change
1.0	June 16, 2025	J. Perrault	M. Eby	Initial Release