



SUPPLIER QUALITY HANDBOOK



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Applies To: All Approved Suppliers and Sub-Tier Suppliers

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Section 1 - Introduction

1.0 Introduction

B&B Specialties, Inc. and GS Aerospace rely on strong, long-term partnerships with suppliers to deliver safe, reliable, and compliant products to our customers. This Supplier Handbook explains our requirements for supplier approval, quality, delivery performance, ethical behavior, and flow-down of customer and regulatory requirements to all personnel involved in our product.

All current and prospective suppliers are expected to review and follow these guidelines as a way of doing business with B&B Specialties/GS Aerospace. By aligning to these standards, we can work together to improve quality, ensure product safety, and support our customers.

1.1 Purpose of This Manual

The objectives of this Supplier Handbook are to 1. Define clear quality, delivery, and compliance expectations. 2. Establish performance criteria used to evaluate suppliers. 3. Communication, regulatory, and internal requirements. 4. Promote strong partnerships focused on continuous improvement and long-term growth.

This handbook does not replace purchase order requirements, quality agreements, or customer flow-downs. In the event of conflict, the purchase order and contractual requirements take precedence.

1.2 Scope

This handbook applies to all suppliers and sub-tier suppliers providing products or services to B&B Specialties / GS Aerospace. Compliance with this handbook is mandatory upon acceptance of any purchase order.

1.3 Review Procedure

Suppliers must have a defined contract review procedure to ensure all requirements can be met prior to accepting a purchase order. At a minimum, the review shall include Engineering drawings and specifications - Industry and customer standards - Purchase order requirements - Delivery and lead-time commitments

Any exceptions must be communicated and approved in writing prior to acceptance.

1.4 Business Practices

Suppliers are expected to operate ethically and in compliance with all applicable laws and regulations, including but not limited to anti-slavery, human trafficking, DFARS, ITAR, and EAR requirements. False or misleading documentation, certifications, or records will not be tolerated.

Suppliers are requested to notify B&B Specialties/GS Aerospace of ownership changes, leadership changes, or major operational changes.

1.5 Disqualification of Suppliers

Suppliers may be disqualified due to poor performance, ethical violations, or business misconduct, including but not limited to: Quality or delivery failures - Fraud or misrepresentation - Breach of confidentiality - Unauthorized customer contact

1.6 Quality Pledge

B&B Specialties/GS Aerospace is committed to being our customers first choice for delivering best-in-class quality to its customers. Every supplier involved in the supply chain has a direct impact on the quality in which B&B Specialties/GS Aerospace provides to its customers. Suppliers are expected to support this commitment through - On-time delivery - Zero-defect mindset - Accurate documentation and certifications - Continuous improvement

Section 2 - Supplier Business System Requirements

2.0 Supplier Business Systems

Suppliers shall establish and maintain a documented quality management system aligned with recognized standards such as ISO 9001, AS9100, AS9120, and NADCAP (where applicable). Certification may be required based on customer, program, or regulatory needs.

2.1 Supplier Key Performance Indicators (KPIs)

B&B Specialties / GS Aerospace is committed to being our customers' first choice. Therefore, we strive to develop and maintain a best-in-class supply base across pricing, quality, logistics, innovation, and risk management. We continuously drive innovation within our organization and are expanding our performance metrics to provide suppliers with clear, actionable feedback.

Suppliers are measured using performance metrics that include: - On-time delivery: $\geq 75\%$ Quality $\geq 90\%$, Compliance with B&B Specialties/GS Aerospace supplier expectations- Supplier Handbook, Terms & Conditions, NDAs, certifications, and customer flow-downs.

Underperforming suppliers will be notified and may be required to complete a Supplier Corrective Action. If no improvement in KPIs is seen in a reasonable amount of time, then the Supplier may be placed on probation, or removed from the Approved Supplier List.

2.2 Quality Planning

Suppliers are expected to apply Advanced Product Quality Planning (APQP) and Plan-Do-Check-Act (PDCA) methodologies to ensure controlled, repeatable, and scalable processes. Objective evidence may be requested during audits or performance reviews.

2.3 Non-Conforming Product & Supplier Corrective Action Report (SCAR)

Suppliers must immediately notify B&B Specialties/GS Aerospace upon discovery or suspicion of nonconforming material. B&B Specialties/GS Aerospace reserves the right to quarantine, rework, or sort material to protect the customer and product integrity.

Supplier must notify B&B Specialties/GS Aerospace if the quantity to be returned will be less than the purchase order quantity.

All costs associated with supplier-caused nonconformance-including labor, sorting, rework, freight, administrative time, and customer penalties-shall be the supplier's responsibility.

SCAR Requirements: - Initial response and containment within 7 days - Root cause analysis and corrective action required - 8D corrective action report due within 30 days - If more time is needed by the Supplier, it must be requested in writing and approved by the Quality manager at B&B Specialties/GS Aerospace.

Failure to adequately respond or close a SCAR may result in probation, or supplier disqualification.

Section 3 - Scrap & Yield Policy

3.0 Allowable Scrap Limit

When supplier performs outside processing, special processing, or subcontracted manufacturing on company-supplied material, the supplier shall exercise reasonable care and industry best practices to minimize scrap and yield loss.

The following scrap limits shall apply unless otherwise approved in writing by company:

- Up to and including 2.00% scrap of the quantity issued on the purchase order, not to exceed 1,000 pcs. is considered allowable.

3.1 Excessive Scrap & Financial Responsibility

- Scrap between 2.01% and 5.00% of the purchase order quantity is unacceptable. For scrap within this range, the company reserves the right to proportionally reduce the purchase order value or invoice amount to offset the cost of the scrapped material and associated losses.
 - Scrap exceeding 5.00% of the purchase order quantity is considered a major nonconformance

A Nonconforming Material Report (NCR) will be generated, and the supplier will be issued a formal Corrective Action Report. In addition, the supplier shall be financially responsible for all scrapped material more than the allowable 2.00% (purchase order quantity), including material cost, processing cost, and any associated administrative or recovery costs incurred by the company.

The supplier shall notify the company immediately upon discovery of any scrap, yield loss, or abnormal processing conditions that may impact delivery, quality, or cost. Scrap quantities shall be documented and traceable to the applicable purchase order and lot. All scrap (set up parts included) shall be returned to the company.

B&B Specialties/GS Aerospace reserves the right to audit the supplier's scrap records, yield calculations, procedures, work instructions and corrective actions as part of supplier performance monitoring.

Section 4 - Quoting & Purchasing

4.0 Quoting Requirements

Suppliers must respond to RFQs by the stated deadline and include: - Unit pricing (per piece or per pound) - Lead time and processing time - DFARS compliance confirmation or documented exception - Minimum order quantity or lot charges - Any deviations or exceptions to drawings or specifications

Failure to respond to RFQs or repeated late responses may negatively impact supplier performance ratings.

4.1 Purchasing & Order Acknowledgment

All purchase orders must be acknowledged in writing within two (2) business days of receipt. Any discrepancies, deviations, or lead-time changes must be communicated immediately.

Late shipments requiring expedited freight due to supplier-caused delays will be charged back to the supplier.

Price changes require written approval 60 days in advance and will not apply to open purchase orders.

Section 5 - Packaging, Handling & Documentation

5.0 Packaging & Handling Requirements

Products must be packaged to prevent damage, contamination, or degradation

100% lot traceability is always required

Mixing or commingling of lots is strictly prohibited

Improper packaging resulting in damage may result in rejection and chargeback.

5.1 Documentation Requirements

Each shipment must include: - Packing slip - Certificate of Conformance (C of C) - Material certifications, process certifications, and test reports as required.

Electronic copies may be required prior to shipment. Shipments missing or inaccurate documentation may be rejected.

Section 6 - Supplier Acknowledgment & Agreement

By accepting a B&B Specialties / GS Aerospace purchase order, the supplier acknowledges and agrees to: -
Comply with this Supplier Handbook - Meet all purchase order, drawing, and customer flow-down requirements - Accept financial responsibility for supplier-caused nonconformance, scrap, and delivery issues

Supplier Name: _____

Authorized Representative: _____

Title: _____

Signature: _____ Date: _____

Acceptance of a B&B Specialties / GS Aerospace purchase order constitutes acceptance of this Supplier Handbook and all applicable Terms & Conditions.