

i. Purpose

This document establishes basic quality assurance requirements to assure products delivered by suppliers are of the required quantity and reliability levels. It presents general information and requirements applicable to all purchase orders, and special requirements applicable as designated in purchase orders.

ii. Definitions and Abbreviations

A. "Purchase Order" means any purchase order, subcontract or other written agreement with suppliers to deliver materials, suppliers, services or equipment.

B. The term "Buyer" shall mean Sunbank/Souriau

C. The Term "Seller" shall mean the individual, partnership or corporation obligated to furnish the articles and services as described in the purchase order

iii. General Requirements

Unless otherwise specified in the body of the purchase order, the following general requirements shall apply to this purchase order.

A. General

1. **Unauthorized Repairs:** Seller may not repair by welding, brazing, soldering or adhesives, parts damaged or found to be faulty during fabrication without buyers quality control prior approval. Defects in castings or forgings shall not be repaired by any method unless authorized by buyer in writing.

2. **Changes in Approved Processes or Procedures:** Seller shall not change any process or procedure without prior approval if such process or procedures were originally subject to buyer's approval.

3. **Improper Re-submittal:** Articles rejected by the buyer may not be resubmitted without clear and proper identification as resubmitted articles, indication of the cause for buyer rejection, and statement of action taken by the seller to correct the deficiencies.

4. **Unauthorized Submittal of Production Parts:** Seller shall not submit parts from a production run for buyer inspection and acceptance prior to buyer's acceptance of first article sample when required by the purchase order.

5. **Manufacturing Process:** Supplier shall maintain control of manufacturing processes to the extent necessary to ensure that the product quality is planned, approved, monitored and controlled.

6. **Contract Review:** Supplier shall maintain a process for contract review activities that ensures requirements for quality are defined prior to the acknowledgement of the order and any special requirements and drawing revision updates are taken into account.

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7. **Training Program:** Supplier shall maintain a training program and assure that any employees and/or subcontractors are qualified through education, experience, and/or certification training to perform required functions as appropriate to the product and/or process.

8. **Notification of Organization Changes:** Changes to the supplier's organization that may affect quality and/or finance shall be communicated in advance to Sunbank/Souriau. These changes may include; company ownership, company name, manufacturing location, quality approvals, significant changes to process or inspection techniques.

B. Responsibility for Conformance: Neither surveillance, inspection and/or tests made by the buyer; at either the sellers or buyers facility, or the seller's compliance with all the supplier quality assurance requirements shall relieve the seller of the responsibility to furnish items which conform to the requirements of the purchase orders.

C. Documentation: The buyer may refuse to accept items delivered under the purchase order if the seller fails to submit the certifications, documentation, test data or reports requested by the purchase order. All documentation shall be in the English language. All paperwork submitted must tie together with an applicable reference (i.e.: PO# or Lot#)

D. Certificate of Conformance: With each shipment of items supplied on this purchase order, seller shall submit a certificate of conformance signed by a responsible representative, which shall constitute a representation by the seller that:

1. Materials used are those which have been specified by buyer and the items delivered were produced from materials for which the seller has on file reports of chemical or physical analysis and any other required evidence of conformance of such items to the applicable specs.
2. Processed used in the fabrication of items delivered were in compliance with applicable specifications as referred to on the PO
3. Specifications and all other requirements applicable to the items delivered have been complied with by the seller. These records shall be made available for review upon request and will be maintained by the seller for minimum of 10 years or unless otherwise specified in the purchase order.

E. Lot Sampling: The buyer reserves the right to use ANSI/ASQC Z1.4 sampling plans for the acceptance or rejection of items supplied

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F. Corrective Action Requests: When recurring Quality or Delivery problems are evidenced, the Buyer and/or Quality shall request a CAR (Corrective Action Request) in writing from the supplier.

G. Delivery Requirement(s): Each delivery shall be accepted as five (5) days early, zero (0) days late.

H. Flow Down: The flow down as described in document PRF-007 latest revision and purchase orders shall be flown down to any and all subcontractors, and to each sub-tier supplier and through the entire supplier chain for any services or product that affect the product produced for Sunbank/Souriau.

I. Record Retention: Supplier shall retain records for 10 years or as defined by the purchase order.

J. Non-Conforming Product

1. Non-conforming product shall be properly controlled and documented. When processing non-conforming product for scrap using Sunbank/Souriau material, supplier must contact Sunbank/Souriau Buyer for disposition authority.

2. When processing non-conforming product for rework, product shall meet the purchase order requirement (in addition refer to section A under "General Requirements").

3. In the event a product which has been shipped is determined to be non-conforming, it is the responsibility of the supplier to notify Sunbank/Souriau within 48 hours of discovery.

4. When required by purchase order or flow down by customer requirement, the supplier shall obtain approval from Sunbank/Souriau prior to proceeding with disposition of product.

5. Flow down to the supply chain the applicable requirements including customer requirements.

K. Right of Entry: Supplier shall provide right of access to Sunbank/Souriau, its customers and regulatory authorities to the applicable areas of all facilities at any level of the supply chain, involved in the order and to all applicable records.

L. Counterfeit - Sunbank/Souriau has adopted this Anti-Counterfeit Policy to eliminate the impact of counterfeit products on Sunbank/Souriau and its customers. This is a zero tolerance Policy against knowingly and intentionally trafficking in counterfeit goods. To support this policy of ensuring that there is a low risk of counterfeit products entering our supply chain, Sunbank/Souriau maintains

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processes to ensure purchases are only made directly from the Manufacturer or Manufacturer approved sources. This is accomplished through compliance with SAE AS6496 Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition – Authorized/Franchised Distribution. Should a suspect counterfeit or counterfeit product be found, Sunbank/Souriau shall quarantine such material and report the finding to the supplier and appropriate authorities. This policy shall be communicated, understood, implemented, and maintained at all levels of the Organization. Sunbank/Souriau are responsible for implementing and managing a program to assure proper counterfeit prevention and assuring that the same requirement is flowdown to its sub-tier suppliers and through the supply chain involved in processing purchase orders as issued by Sunbank/Souriau.

Counterfeit Prevention

1. Electronic Components or any other type of product, where there is a potential for counterfeiting, should only be purchased from the Original Equipment Manufacturer (OEM) or a franchised distributor of OEM.
2. The Original Equipment Manufacturer (OEM) or a franchised distributor of the OEM, should provide with the shipment a certificate of conformance certifying that the component provided is the part number being procured on the Purchase Order.
3. A certificate of Conformance is used to establish traceability to the OEM.
4. It is not recommended that electronic components or any other type of product, where there is a potential for counterfeiting, be purchased from a broker that is not a franchise distributor. In the even such a purchase should be made, it is the responsibility of the supplier to assure that the proper certifications are available, to provide traceability to the OEM.

M. Product Safety - The supplier is responsible to assure the compliance and controls over any product as provided by Sunbank/Souriau, or manufactured for Sunbank/Souriau is processed, inspected, controlled and shipped in such a manner to assure the integrity of the product and safety of the product is properly controlled as per the defined Sunbank/Souriau requirements. The supplier needs to communicate with their people and make them aware of the importance of contribution for product service. This can be done by training, fliers, information placed in conspicuous places, evidence of such awareness shall be provided up on request.

N. Ethical Behavior - The Code of Ethics of Sunbank/Souriau is a code of conduct for our business environment. It relies on honesty, integrity, justice and protection. A conflict of interest arises when personal interests affect or are likely to affect the objectivity of the choices, decisions or acts of an employee or corporate officer of Sunbank/Souriau relative to the interests of Sunbank/Souriau. For example, a conflict of interest may arise when an employee or corporate officer or a member of his family hold a personal interest, directly or indirectly, in a vendor, a customer or a competitor of Sunbank/Souriau.

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The acceptance of remunerated duties outside of Sunbank/Souriau must not jeopardize the obligation of loyalty by which each employee or corporate officer is bound towards his employer under his contract of employment. The collective bargaining agreements that are applicable or the contracts of employment may comprise specific restrictions regarding the acceptance of other duties (for instance, exclusivity clauses). The acceptance of personal duties outside of Sunbank/Souriau should never induce third parties into thinking that the granting of directorships, consultancies or any other position will enable them to obtain a privileged position in their business relationship with Sunbank/Souriau. Any conflict of interest, real or alleged, must be communicated by the employee or the corporate officer to his manager who will decide whether this information needs to be transmitted to the Sunbank/Souriau Ethics Officer.

The Business Ethics of Sunbank/Souriau do not accept that employees or corporate officers promise or offer, directly or indirectly, gifts, donations or any other favors to customers or any other partner in order to influence or give the impression to influence a commercial decision. However, these provisions do not apply to accommodations and/or meals for customers as part of a commercial relationship, and in particular an after-sales relationship, provided that this complies with Sunbank/Souriau practices and subject to prior approval of the manager of the employee.

Conversely, the Business Ethics of the Sunbank/Souriau do not accept that employees or corporate officers ask for or receive, directly or indirectly, from customers, intermediates or vendors any gift, donations or favors which might compromise their impartiality or their ability to take independent decisions. Also, the Business Ethics of Sunbank/Souriau do not accept that employees or corporate officers promise, offer or receive, directly or indirectly, gifts, donations or any other favors to/from a public officer with the intention that this person undertakes or refrains from undertaking any act falling within its duties. In addition to the business ethics principles and rules mentioned in the other chapters of this Code (conflict of interest, gifts...), each employee or corporate officer in contact with suppliers must ensure that every supplier is treated equally and in an honest way.

In addition, the Supply Chain strategy of Sunbank/Souriau is to commit to work only with suppliers who accept the values of Sunbank/Souriau. Any employee who maintains a business relationship with a supplier may not use this relationship for private purposes under terms and conditions different from those generally offered to the public or, in general, on preferential terms as compared with normal market conditions.

O. Disaster Recovery Plan: Sunbank/Souriau requires our suppliers to prepare a contingency plan to reasonably protect Sunbank/Souriau's supply of product in the event that a supplier's facility cannot continue to operate due to a catastrophic event (e.g., utility interruptions, fire, flood, storm damage, temporary or limited data loss, chemical spills, air/water contamination, earthquakes, tornados, hurricanes, storm surges, complete data loss). Plans should be reviewed on a frequent basis to ensure that the contingencies listed are still valid. A copy of your Disaster Recovery Plan should be provided to Sunbank/Souriau.

P. Protection of Sunbank/Souriau Interconnect Technologies & Their Customers' Proprietary Information: Any information the supplier receives from Sunbank/Souriau must be kept confidential

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and not disclosed to any third party without the proper written agreement of Sunbank/Souriau. The proprietary information can include, but is not limited to, all versions of electronic data, drawings and documentation, tooling and material.

Q. Supplier Request for Deviation:

1. There may be circumstances when the Supplier discovers out-of-tolerance conditions within their facility that they believe can be deviated. If the supplier feels the condition does not affect fit, form or function, a one-time deviation may be requested from Sunbank/Souriau. At management's discretion, Sunbank/Souriau may grant a deviation based on established procedures and requirements.

The supplier will always request, in writing, a formal deviation (or concession) and receive approval before shipping non-conforming material to Sunbank/Souriau. The supplier must fill out a Supplier Request for Deviation form, or an appropriate supplier equivalent form and return it for approval. If the deviation is approved by Sunbank/Souriau, a copy of the signed request for deviation must be placed in each pack being delivered to Sunbank/Souriau. Otherwise parts will not be accepted. A plan to return to normal production and the time required to do so may also be required at the same time as the written request.

3. When accepting a deviation, Sunbank/Souriau reserves the right to pursue cost recovery if costs above normal production are incurred due to the deviation and supplier agrees they will be responsible for such cost. Rejection of a deviation request is not an acceptable reason for missed delivery.

R. Sunbank/Souriau Owned Tooling and Supplied Product: All material, tools, manufacturing, test or inspection equipment belonging to Sunbank/Souriau or their customers, will be permanently marked to clearly show that they are property of Sunbank/Souriau or the customer. These tools will only be used for Sunbank/Souriau products unless an authorization in writing exists.

Contact your buyer for information regarding this subject. Supplied product can include intellectual property such as data used for design, production, or inspection.

S. Material Obsolescence: Supplier shall notify Sunbank/Souriau at least two (2) years in advance if Supplier anticipates discontinuing the manufacture of any of the materials or spare parts. Supplier shall make discontinued material and spare parts available for five (5) years after the material or spare parts are discontinued by:

1. Finding an acceptable source to provide the discontinued material or spare parts to buyer, or
2. Finding a substitute for the discontinued material or spare parts which is acceptable to Sunbank/Souriau, or

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3. Carrying an inventory of the material or spare parts as required to support Sunbank/Souriau, or
4. After exhausting the above alternatives, providing Sunbank/Souriau with the opportunity to make a last-time buy after allowing Sunbank/Souriau a reasonable time to assess its needs.

T. California Transparency in Supply Chains Act: The California Transparency in Supply Chains Act requires manufacturers doing business in the state of California to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains. All suppliers to Sunbank/Souriau are required to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

U. DPAS Rated Orders: As a Supplier to the US Department of Defense, Sunbank/Souriau will, from time to time, accept orders or contracts that fall under the provisions of the Defense Priorities and Allocation System (DPAS). The Purpose of DPAS is to:

1. Assure Timely Delivery of materials and services from private industry to meet National Defense needs; and
2. Provide an operating system to support rapid industry response to Government Procurement needs in times of need.

Sunbank/Souriau will not designate individual POs as DPAS rated or not; Suppliers to Sunbank/Souriau should be aware of and prepare to meet the requirements of DPAS for all POs.

V. FAI Requirements: Supplier shall use the AS9102 (Latest Revision) for completion of 1st article. First Article records shall be provided with the related supporting documentation to any raw material and outside processing certifications.

A 1st article shall be provided by the supplier whenever any of the following situations occur:

- When requested by the Purchase Order
- A change in Location, Equipment or process
- A change in suppliers
- Part Revision
- New Part

W. Flow Down Requirement for DoD Contracts: 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting.

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1. The supplier shall provide adequate security and cyber incident reporting on all covered contractor information systems as defined in

[DFARS 242.204-7012.](https://www.ecfr.gov/cgi-bin/text-idx?SID=086569ab7cd1116e415d908cd6e6a315&mc=true&node=pt48.3.252&rgn=div5#se48.3.252_1204_67012) (https://www.ecfr.gov/cgi-bin/text-idx?SID=086569ab7cd1116e415d908cd6e6a315&mc=true&node=pt48.3.252&rgn=div5#se48.3.252_1204_67012)

2. The supplier shall have implemented NIST SP 800-171.

To review the NIST SP 800-171 requirements, go to nist.gov and type SP 800-171 in the search and find the latest version. For implementation help, see: <https://www.nist.gov/news-events/news/2018/05/mep-centers-aid-manufacturers-cybersecurity>

Supplier Quality Assurance Requirements Clauses (SQAR)

The following SQAR's are a requirement of this purchase order:

SQAR 1 - VISITING SELLER'S FACILITY: Upon seller's acceptance of Buyer's Purchase Order, and until all items listed on Purchase Order are completed and shipped to Buyer, the Buyer, and/or Buyers customer and authorities may at any time without prior notice visit Seller's facilities during operating hours and verify conditions of buyer's material and/or records.

SQAR 2 - GOVERNMENT INSPECTION: When appropriate, and during the performance of this order, the quality Control, or Inspection System, and manufacturing processes are subject to review by an authorized Government Representative at supplier's facilities, or, supplier sub-tier subcontracted facility. Subcontractors require approval by the Prime Contractor.

SQAR 3 - BUYER SOURCE INSPECTION: When indicated on the P.O., items to be delivered under this purchase order require inspection tests or surveillance by the buyer's quality representative at the seller plant prior to shipment. 48 hours advance notice must be given to the buyer to permit scheduling of source inspection. Source inspection does not relieve the seller of the responsibility for compliance with all requirements. Evidence of source inspection must accompany the shipment. The buyer reserves the right for final acceptance at his facility.

- o Witnessing of final inspection or tests required
- o Witnessing of in process inspections test of detailed parts or subassemblies are required.

SQAR 4 - GOVERNMENT SOURCE INSPECTION: When indicated on the P.O., Government source inspection is required prior to shipment from your plant. Upon receipt of the purchase order promptly notify your government representative. If a representative is not available, the buyer should be notified.

SQAR 5 - GOVERNMENT ORDER PRIORITY: When indicated on the P.O. the supplier shall comply with the prioritizing of any purchase orders identified as DX-DO orders. A DX or DO rating is a priority given to material acquisition required for a defense related program established by an approved US

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government Agency. DX rated orders have priority over DO rated orders which in turn have priority over non-rated orders. By accepting a DX or DO order the supplier agrees to provide the material on the agreed upon delivery date and pricing.

SQAR 6 - SELLERS QUALITY CONTROL SYSTEM: The seller shall maintain a quality system which complies with the designated specification. The sellers system shall be subject to audit by the buyer's representative.

- o ISO9001: Requires the supplier to have a system in place to perform all inspections and/or tests necessary to ensure the material/hardware is per the Sunbank/Souriau drawing/purchase order. In addition, that all records pertaining to these test/inspections are on record/file at the supplier's facility and will be furnished to Sunbank/Souriau upon request.

- o AS9100: Quality Management System - Supplier must have a 3rd party accreditation.

- o ISO9001/NADCAP - Supplier providing a special process, i.e.: plating, welding, etc. shall hold a 3rd party accreditation.

SQAR 7 - INSPECTION: When indicated on the P.O., 100 percent inspection is required. (Certifications must state "100% Inspection Performed")

SQAR 8 - SPC: When indicated on the P.O., SPC required. Supplier must submit SPC program to buyer for approval prior to commencing fabrication.

SQAR 9 - DELETED

SQAR 10 - When indicated on the P.O., Seller's inspection level for this product shall be defined and documented.

SQAR 11 – When appropriate, calibration per ISO 17025 and traceable to NIST.

SQAR 12- PRESERVATION, PACKAGING AND PACKING: All material shall be preserved, packaged and packed to afford adequate protection against dust, moisture, rust, corrosion, deterioration and physical damage during shipments.

SQAR 13 - MATERIAL IDENTIFICATION: Unless otherwise specified on drawing, P.O., or in this document, seller is to choose the most appropriate method.

- o Apply part number to item
- o Bag and tag item
- o Tag items
- o Identify per procurement instructions

SQAR 14 -CHEMICAL CERTIFICATION: Sellers shall submit with each shipment a verification that these items furnished do not contain functional mercury in any form (without specific written approval from the buyer) and that mercury bearing instruments and/or equipment which might cause contamination were not used in the manufacture, fabrication, assembly or testing of the items furnished under the purchase order. All sellers are obligated to pass this requirement on to their subcontractors.

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1. **RoHS:** The Restriction of Hazardous Substances Directive 2002/95/EC (RoHS) was adopted in February 2003 by the European Union. All Suppliers shall know and understand the contents of its products, including the products of its Suppliers. Upon Sunbank/Souriau request, Suppliers shall provide a complete listing of the product's physical contents. If necessary, Sunbank/Souriau will require documentation from the Supplier certifying their product to be RoHS compliant.

2. **REACH:** The European Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemical (REACH) entered into force in June

2007. Suppliers shall comply with all applicable REACH requirements that affect the products they supply to Sunbank/Souriau. Sunbank/Souriau expects Suppliers will have a dialogue with their own supply chain and with Sunbank/Souriau regarding all applicable aspects of REACH.

SQAR 15 - CHEMICAL AND PHYSICAL REPORTS: When indicated on the P.O., the seller shall submit a test report of the chemical and mechanical properties of each heat/lot of parts furnished. Chemical reports must include each element listed on the applicable material specification. Mechanical property reports must include actual numerical values for each property tested in accordance with the applicable specifications. Test reports furnished must be correlated to the heat/lot number of the item represented and to the purchase order and item number. A certification of compliance to DARS 252.225.7014 "Alternate 1" Certification required.

SQAR 16 - PROCESS CERTIFICATION: All supplemental surface treatments require a statement of conformance to the referenced specification.

SQAR 17 - INSPECTION RESULTS: Recorded data normally generated during final inspection such as dimensions, alignment & visual checks, etc., shall be submitted to buyer as evidence of conformance.

SQAR 18- SELLER SUPPLIED INFORMATION: With the initial shipment, the seller shall furnish, at no cost to the buyer, two legible copies of applicable specifications drawings and/or catalogs or catalog pages sufficient to inspect and or test the products ordered by the purchase order. Distributors shall submit a "True Manufacturers Certification" with each shipment.

SQAR 19 - NOTIFICATION OF PRODUCT CHANGE: The seller shall notify the buyer of any significant changes in product design, fabrication methods, material, or processing prior to shipment to buyer. No changes which may affect form, fit, function, or interchangeability in product shall be made without written approval from buyer.

SQAR 20 - MATERIAL AGE CONTROL: When appropriate, the seller shall have an effective system of age control for materials whose acceptability is limited by maximum age. The system must include a method of identifying the age of such items and provisions for the rotation of stock. A control of rubber goods shall conform to the requirements of ARP 53161, unless otherwise specified on the purchase order. Seller shall identify each delivered item, package or container of limited shelf life material with the cure or manufacture date, expiration date, and special storage and handling conditions, in addition to the normal identification requirements of name, part or code number, specification number, type, size quantity, etc. Time lapse between manufacturing and receiving dates shall not exceed 20% of the shelf life. Certifications of same shall accompany shipments.

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SQAR 21 - OBJECTIVE QUALITY EVIDENCE: For NDT operations, two (2) copies of the objective quality evidence items indicated below shall accompany each shipment. All NDT testing procedures shall be prepared in accordance with the requirements of MIL-STD-271 and as indicated by individual test requirements and submitted to the buyer for approval prior to performing test. Evidence of personnel qualifications shall be available for buyer to review.

1. Documents indicating that nondestructive testing was performed in accordance with applicable specifications and the results obtained were in accordance with requirements.
2. Radiography-Radiographic inspection is required. The seller shall provide radiographic shooting sketches and techniques as defined by MIL-STD-271. These sketches and techniques are to be approved by the buyer. Radiographs taken in accordance with the approved techniques shall be identified and transmitted to the buyer for review and verification prior to shipment of material. All welded joints shall be identified permanently with the RT number.
3. Magnetic Particle Inspection - Magnetic particle inspection shall be performed as required in accordance with MIL-STD-271.
4. Dye Penetrant Inspection - Dye penetrant inspection shall be performed as required in accordance with MIL-STD-271.
5. Ultrasonic Inspection - Ultrasonic inspection shall be performed in accordance with NAVSHIPS 0900-006-3010 and/or NAVSHIPS 0900000-1000.
6. Hydrostatic Testing-Certifications indicating hydrostatic testing accomplishment, pressures, etc.
7. Shock test reports per purchase order requirements.
8. Vibration test reports per purchase order requirements.
9. Data generated during functional acceptance testing of item.
10. Qualification test results.

SQAR 22 - WELDING AND ALLIED PROCESSES:

1. Piping, machinery, pressure vessels shall be fabricated, welded, inspected in accordance with NAVSEA Technical Publications S9074-AR-GIB-010/278 (replaces MIL-STD-278).
2. Piping, machinery, pressure vessels, shall be fabricated, welded, inspected in accordance with ASME requirements.
3. Brazing when required, shall be accomplished per the requirements of NAVSHIPS 0900-001-7000.
4. Welding per AWS D17.1 (replaces MIL-STD-2219).

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5. Procedure and Performance Qualification - All welding and brazing procedure and performance qualifications shall be per:

- o NAVSEA S9074-AQ-GIB-010/248 (replaces MIL-STD-248)
- o ASME Section IX
- o MIL-STD-7883, Type IV

6. And be subject to review and approval prior to production.

SQAR 23 - COAST GUARD APPROVAL: When indicated on the P.O., it is the responsibility of the seller to obtain Coast Guard approval of equipment and drawings furnished by him to the buyer.

SQAR 24 - NON-CONFORMANCE: Non-Conformance which affects form, fit, function or reliability of the end item or otherwise affect the terms of Buyers subcontracts shall be referred to the buyer in writing for disposition when it is believed that "Use As Is" or "Use After Repair" decision would be appropriate. Request for acceptance of non-conforming items must contain all information required to make an analysis and disposition. Supplier shall notify the buyer within 48 hours when it is determined that non-conforming product has been shipped to Sunbank/Souriau or its customer.

SQAR 25 - ITAR - INTERNATIONAL TRAFFIC IN ARMS REGULATIONS: When required by purchase order, the supplier shall comply with the ITAR regulations as defined by the US Department of State.

1. **Pursuant to the requirements referenced in** DDTC registration requirement, outlined in Part 122.1(a); the supplier shall comply with the following when imposed via purchase order and/or when processing ITAR Controlled orders:

a. Any person who engages in the United States in the business of manufacturing or exporting or temporarily importing defense articles, or furnishing defense services, is required to register with the Directorate of Defense Trade Controls under § 122.2. For the purpose of this subchapter, engaging in such a business requires only one occasion of manufacturing or exporting or temporarily importing a defense article or furnishing a defense service. A manufacturer who does not engage in exporting must nevertheless register. (See part 129 of this subchapter for requirements for registration of persons who engage in brokering activities.)

b. *Exemptions.* The registration requirements of paragraph (a) of this section do not apply to:

- i. Officers and employees of the U.S. Government acting in an official capacity;
- ii. Persons whose pertinent business activity is confined to the production of unclassified technical data only;
- iii. Persons all of whose manufacturing and export activities are licensed under the Atomic Energy Act of 1954, as amended; or
- iv. Persons who engage in the fabrication of articles solely for experimental or scientific purposes, including research and development.

Purpose. Registration is primarily a means to provide the U.S. Government with necessary information on who is involved in certain manufacturing and exporting activities. Registration does

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not confer any export rights or privileges. It is generally a precondition to the issuance of any license or other approval under this subchapter, unless an exception is granted by the Directorate of Defense Trade Controls.

2. **ITAR Compliance:** International Traffic in Arms Regulations (ITAR) compliance applies to all Suppliers of parts with any potential to be used in Military Applications. Any purchase order, quote, specification, print/document may contain TECHNICAL DATA WHOSE EXPORT IS RESTRICTED BY ARMS EXPORT CONTROL ACT (TITLE 22, U.S.C. SEC.2778-2780). VIOLATIONS OF THESE EXPORT LAWS ARE SUBJECT TO SEVERE CIMINALPENALTIES. DISSEMINATE IN ACCORDANCE WITH THE PROVISIONS OF DOD DIRECTIVE5230.25 ASSIGNEMNT OF NON-US PERSONNEL.

o In order to assist Sunbank/Souriau Corporation Compliance with US security and Export requirements, Seller shall not assign any persons who are not United States Citizens or aliens granted permanent residency in the United States to work on projects or supply the material covered under any purchase order without first obtaining Sunbank/Souriau written approval, which approval shall not be unreasonably withheld.

o Seller shall be responsible for ensuring that all personnel it assigns to this work on behalf of Buyer has all the appropriate and current licenses and State Department approved documents necessary to perform the work. Seller shall produce such records at any reasonable time upon Sunbank/Souriau request.

o If Seller is not sure whether or not the products they provide fall under the ITAR category they are responsible for getting with Buyer and ensuring compliance. In accordance with ITAR/EAR requirements, all visitors to our facility may be subject to a background check.

SQAR 26 - FOUNDRY CONTROL OF CAST PARTS: When appropriate, foundry control castings are required when new tooling (patterns or molds) is made or when a change is made in gates, risers, chills, as cast shape, or a pattern is transferred to another supplier. Foundry control castings shall be submitted to the Buyer for his review and approval, as defined below, prior to initiation or continuation of production runs.

Radiographic film of foundry control castings shall be reviewed and approved by the Buyer's Quality Representative at the Seller's radiographic department or agency. Seller will submit film and test reports with each submittal of foundry control castings.

2. Seller will submit a minimum of 3 foundry control casting, heat treated and straightened to the Casting drawing requirements for examination approval by the Buyer. Such casting(s) shall be representative of the foundry practices and processes to be used for the production castings.

3. Seller will submit a certified statement of conformance and mechanical properties with each foundry control casting.

4. Seller will submit a certified statement of chemical analysis of the material used in the foundry control casting showing the percentage of each element contained in the specimen.

Notice: It is the responsibility of the supplier to make sure that all standards mentioned within this document are applied as necessary and are to the latest revisions.

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5. Radiographic film of foundry control castings to the Buyer for review and approval

SQAR 27 - CONTROL OF FORGINGS

1. The seller shall furnish buyer with destructive qualification testing from first acceptance run one sample forging representative of all processing used. This test forging is in addition to the production quantities required.
2. With each shipment, the Seller shall submit two test samples from each heat of material used in the shipment. The samples shall be suitable to make specimens conforming to R-3 of Federal Test Standard No. 151, and be subjected to the same processing the forgings receive, including work and heat treatments.
3. The forgings shall be made with a detachable tab. The tab shall not be removed until completion of all processing including heat treatment. The tabs shall be removed and shipped with the forgings to the buyer. The tabs shall be identified to material heats and heat treat lots (serial numbers when serialization is required).

SQAR 28 - TOOL PROOFING: When indicated on the P.O., tooling required for product under this purchase order is subject to acceptance by the Buyer. The seller shall notify Buyer when tooling is ready for inspection. Acceptance will be contingent upon a quantity of resultant dimensional samples inspected under surveillance of the Buyer's Representative at the Seller's facility or the items will be shipped to Buyer for inspection when directed by the buyer. Dimensional samples are to be identified with a tool number.

SQAR 29 - DROP SHIPMENTS: When indicated on the P.O., the material ordered hereunder is to be shipped to other than the Buyer's facilities. Copies of the Quality Assurance data required by this order shall accompany the shipment; in addition, one copy of the data shall be mailed to the buyer on the same day that shipment is made.

SQAR 30 - INSPECTION AND TEST PLAN: When indicated on the P.O., the seller shall prepare an inspection and test plan for the items delivered under this purchase order. Two reproducible copies of the plan shall be submitted for Buyer approval a minimum of two weeks prior to production.

1. The plan shall include identification of the item to be inspected or tested, measuring or test equipment to be used, method of inspection (visual, test equipment gage etc.) and type of inspection (dimensional, functional, test, NDT, etc.)
2. The plan shall contain the operational sequence and inspection/test points in relation to procurement, manufacture, assembly, checkout and delivery.
3. All paper-work submitted must tie together, i.e.: P.O.# or Lot#.
4. All specifications referenced with this document must be adhered to at the latest revision.

It is the responsibility of the supplier to review the specification and verify the latest revision. All of the certifications that are submitted shall make reference to the related specification, type, class, level and revision as applicable.

Notice: It is the responsibility of the supplier to make sure that all standards mentioned within this document are applied as necessary and are to the latest revisions.

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SQAR 31 - LOT CONTROL AND MATERIAL TRACEABILITY

1. Items furnished under this P.O., packing list, certifications and other applicable documents must be identified by mfg. lot or batch number. Where impractical to stamp individual parts due to size or shape, the lot or batch number shall be stamped on identifying tags or the smallest unit packaged.
2. Materials used must be identified by lot number, material type, specification and applicable change number, heat number, etc., and traceable to records of acceptance. Parts fabricated by the Seller shall be traceable to the lot number(s) of material(s) used. Traceability record (certifications) shall be submitted to the Buyer.

SQAR 32 - ANTI-HUMAN TRAFFICKING FAR: Supplier agrees NOT to participate in any of the following activities:

- o Engaging in severe forms of human trafficking during the period of performance of the contract;
- o Procuring commercial sex acts during the period of performance of the contract;
- o Using forced labor in the performance of the contract;

Destroying, concealing, confiscating or otherwise denying employees' access to identifying or immigration documents;

- o Engaging in fraudulent or misleading recruitment practices;
- o Employing recruiters that violate the labor laws of the country where the recruitment takes place;
- o Charging the employees recruiting fees;
- o Failing to provide return transportation to an employee who is not a national of the country where the work is to take place, subject to limited exceptions;
- o Providing housing, if required, that fails to meet host country safety or housing laws; or
- o Failing to provide a written work document, if required

SQAR 33: DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT DFARS 252.225-7014

ALTERNATE 1

1. DFARS 252.225-7014, Preference for Domestic Specialty metals, Alt 1 has the following basic requirements:
 - o Specialty metals must be melted in the United States or a qualifying country, or they can be melted anywhere but must be "incorporated in an article manufactured in a qualifying country." The clause allows a qualifying country to manufacture parts from metal that was melted

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anywhere, provided it meets specifications, but a United States company can only use metal that was melted in the United States or a qualifying country.

o As of the date of this article, the qualifying countries are Australia, Belgium, Canada, Denmark, Egypt, Germany, France, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom and Northern Ireland.

2. To see the full provisions of the DFARS 252.225-7014 please visit the following website:

<http://www.acq.osd.mil/dpap/index.html>

o Steel with a maximum alloy content exceeding one or more of the following limits: manganese, 1.65%, silicon, 0.60%, or copper, 0.60%, or containing more than .025% of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium.

- **Example 1:** Steel containing 1.15% chromium melted in the United States by the manufacturer of an item to be delivered pursuant to a contract

with the U.S. Government is not compliant with DFARS 252.225-7014 Alt I.

Explanation: Steel containing more than .25% chromium is defined as a specialty metal and, therefore, must either be melted in the United States or a qualifying country. Japan is not on the list of qualifying countries.

- **Example 2:** Steel melted in Mexico containing .20% chromium and not having alloy or element contents in excess of the thresholds set forth in DFARS 252.225-7014, Alt I is compliant with the DFARS clause. *Explanation:* Steel containing more than .25% chromium is defined as specialty metal. It does not have to be produced in the United States or a qualifying country. This material for Mexico would be acceptable. Note that Mexico is not on the list of Qualifying Countries; however, the material is not defined as "Specialty Metal."

3. Metal alloys consisting of nickel, iron-nickel, and cobalt based alloys containing a total of other alloying metals (except iron) in excess of 10 percent; Titanium and titanium alloys; and Zirconium and zirconium base alloys.

SQAR 34: Moved to section ii

SQAR 35: Move to letter M