



# SCI SUPPLIER QUALITY ASSURANCE REQUIREMENTS (SQARS)

## 1 GENERAL QUALITY REQUIREMENTS

### 1.1 General

Sensor Concepts Incorporated (SCI) expects its suppliers to maintain a high level of quality with their material and services (referred to as "Products") provided. SCI Supplier Quality Assurance Requirements (SQAR) detail the specific quality requirements expected of our Suppliers. When the SCI SQARS are referenced in our Purchased Orders (PO), they are considered part of the PO requirements.

### 1.2 Quality Management System

The Supplier is expected to maintain a quality control system to an industry recognized Quality Standard. As applicable, a copy of the 3<sup>rd</sup> party certificate must be submitted to SCI when first certified and after each recertification audit. SCI shall be notified of any change in certification status. The QMS should have a Corrective Action process in place that allows for effective response when problems occur. A Supplier Corrective Action Request (SCAR) can be issued for rejected parts during receiving inspection, defective parts in stock, or defective parts found during manufacturing. The Supplier must provide a response by the due date indicated on the SCAR report.

### 1.3 Part Marking and Traceability

The Supplier is required to mark each packaged part with the part number, revision, and PO number. If required by the PO, the Supplier must submit a Materials Certificate or a Certificate of Conformance (COC) with each delivery. If no certificate or COC is received with the shipment, the shipment will be rejected which may affect the supplier's status on our Approved Supplier List.

### 1.4 Subcontractor Control and Flow Down Requirements

When the Supplier uses subcontractors to perform work on deliverables for SCI, the Supplier must notify and obtain SCI's approval. Supplier shall flow down the applicable requirements in the PO to sub-tier suppliers, where required. The Supplier takes full responsibility for any subcontracted (outsourced or alternate) process and will have final approvals or inspection in place to assure all subcontracted components conform to all specifications dictated by the purchasing documents including key characteristics, where required.

### 1.5 Inspection and Acceptance

The Supplier agrees to permit SCI, authorized representatives of SCI's customers and regulatory authorities to have access to Supplier's facilities and Supplier's subcontractor's facilities where work under the PO is being performed, to review progress, witness testing of the Products to be delivered under the PO and access to applicable records. Supplier shall include this clause in all of Supplier's subcontracts under the PO. If calibrated equipment is being used to verify acceptance to requirements, the equipment shall be calibrated to the manufacturer's specification. All calibrations on tools and equipment must be traceable to National Institute of Standards Technology and comply with ISO standards. The calibration certificate shall be available upon request.

### 1.6 Foreign Object Debris

The Supplier shall employ appropriate housekeeping practices to ensure timely removal of debris generated during manufacturing operations or tasks. A Foreign Object Debris (FOD) prevention program to eliminate introduction of foreign objects into any deliverable item shall be maintained...

### 1.7 Nonconforming Product

Supplier must notify the buyer of nonconforming product and obtain buyer's approval for nonconforming product disposition.

### 1.8 Process Control

Supplier agrees they will not make process and design changes in Products which adversely affect form, fit, or function without prior approval of or notification to SCI. Supplier may request changes in process or design of Products only if SCI agrees to accept such changes in delivery and price that are, in Supplier's judgment, reasonably necessary. Supplier shall have no obligation to make any changes that are, in Supplier's judgment, beyond the ability of Supplier to perform within the schedule or for the price



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originally proposed.

## **1.9 Proprietary Information and Confidentiality**

Any data, drawing design, equipment or other material or information which is (i) provided by SCI or (ii) provided by Supplier but paid by SCI as a part of the Products' purchase price, shall be solely owned by SCI and shall be considered SCI's proprietary and confidential information. Supplier agrees to keep strictly confidential any and all materials and information under the PO as well as any other SCI's proprietary materials and/or information received for the purposes hereof and to avoid communication or disclosure of such material and/or information to any third party without prior written consent of SCI.

## **1.10 Record Retention**

The Supplier shall retain records for a period of not less than 7 years from completion of Purchase Order. Optionally, records may be sent to SCI upon completion of Purchase Order.

## **1.11 Workmanship**

The Supplier shall be responsible for maintaining qualified (certified) personnel, facilities, processes, and procedures in accordance with industry standards.

## **1.12 Part Obsolescence Program**

The Supplier will maintain, during the performance of this order, sufficient components and material necessary to perform this order including obtaining commitments from its suppliers required to meet all requirements. Any known obsolescence of components and material for current or future orders shall be communicated to SCI.

## **1.13 In Process Inspection**

SCI shall notify Supplier when manufacturing a part for the first time or if a change has occurred since its last production run when an In Process Inspection is required. Acceptance of the In Process Inspection will be conducted by SCI's Quality Control Engineer or Designee at Supplier's site or at SCI.

## **1.14 Conflict Minerals**

The Supplier should support the goals and objectives of Section 1502 of the Dodd-Frank Act, which aims to prevent the use of conflict minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or an adjoining country as defined in the Act (Conflict Region). The Supplier should not knowingly procure specified metals that originate from facilities in DRC or adjoining countries known as the conflict region. The Supplier is expected to ensure their supply chain uses only conflict free material and components in products the Supplier procures.



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## 2 PROGRAM AND COMMODITY SPECIFIC QUALITY ASSURANCE REQUIREMENTS

### 2.1 Raw Material Certification

If required by the Purchase Order, the Supplier shall submit a Materials Certificate/Report from the producing Mill, listing (as applicable):

- 1) Material Specifications and revisions
- 2) Material Trade Name or common name within the Industry
- 3) Heat Lot #
- 4) Laboratory test specifications and results
- 5) Chemical and physical properties
- 6) Country of origin

The Supplier shall have a process in place to verify traceability of the Materials Certificate/Report. The evidence of verification shall be supplied to SCI upon request.

### 2.2 Validation of Special Processes

The Supplier and all members of their supply chain shall use SCI approved suppliers when a specific material or manufacturing special process is identified in the Purchase Order and/or Engineering drawings. This includes Chemical Processing, Coatings, Heat Treating, and Welding.

### 2.3 Specialty Metals

This order is subject to the requirements for

- a) DFARS 252.225-7001 (Buy American Act)
- b) DFARS 252.225-7009 (Specialty Metals)
- c) DFARS 252.225-7016 (Ball and Roller Bearings)
- d) DFARS 252.225-7007 (Prohibition on Acquisition of US Munitions List Items from Communist Chinese Military Companies)
- e) DFARS 252-225-7014 (Berry Amendment)

A Certificate of Conformance is required for each item delivered. A statement identifying the material or item by lot, manufacturer and location, date of manufacturer, and/or serial number, revision, and/or grade shall be included.

### 2.4 NADCAP

If required by the Purchase Order, the Supplier and all members of their supply chain that provides special processes must be NADCAP accredited. This includes but is not limited to Chemical Processing, Coatings, Heat Treating, and Welding.

### 2.5 First Article Inspection Report (FAI)

If a FAI Report is required on a line item in the purchase order, the Supplier is to perform and submit the FAI Report per AS9102 or equivalent. When there is a change to a manufacturing location, source, material, process, or inspection method, the Supplier shall notify SCI as an FAI is required. Supplier shall flow down a FAI requirement to a sub tier supplier, when any of the following are applicable:

- New Part, First Production Run
- Lapse in Production of 2 years
- Revision Change
- Change in Form, Fit, Function

The Supplier is required to submit all parts that meet the requirements above for a first article approval, along with proof of any first article performed as a result of supplier third party outsourcing. The Supplier will be required to maintain records of their first article inspections for items that they have outsourced. The First Article Report shall be accompanied with the relevant test results and documented key characteristics.



## **SCI SUPPLIER QUALITY ASSURANCE REQUIREMENTS (SQARS)**

### **2.6 ITAR Requirements**

If any line item on the purchase order states export controlled, the Supplier agrees to comply with all applicable U.S. export control laws and regulations, specifically to the International Traffic in Arms Regulation (ITAR) or Export Administration Regulation (EAR). Any export controlled item, data, or services will be clearly marked and identified and may not be exported, released, or disclosed to foreign persons inside or outside the United States without first obtaining the proper export authority. Violators of ITAR or EAR are subject to civil and criminal fines and penalties under Title 22 U.S.C. Section 2778, and Title 50, U.S.C. 2410.

### **2.7 Priority Rating (DPAS)**

If this Purchase Order is DPAS rated, it contains rated order quantities certified for national defense use and the Supplier is required to follow all the provisions of the Defense Priorities and Allocations System regulation (15 CFR Part 700) only as it pertains to the rated quantities.