

**HORSTMAN CANADA**  
**SUPPLIER QUALITY ASSURANCE REQUIREMENTS**  
**SQAR No. 38**

The requirement outlined below, as specified on this purchase order and subsequent amendments, forms in integral part of the purchase order between Horstman Canada Inc. and the seller. The requirement shall remain in force for the duration of this purchase order only, unless deviation is authorized in writing by Horstman Canada.

**38.1 Requirements**

When Government Property (GP) is on site, the following requirements shall be met.

**Subcontractor System Analysis (for Suppliers in Receipt of Property of the US Government)**

To ensure compliance to Government regulations, Horstman Canada shall conduct a Limited Desk Top or an On-Site Property Management System Analysis (PMSA) of all Suppliers (in receipt of Property of the US Government).

The supplier shall be provided notification prior to conducting an On-Site PMSA.  
The supplier is required to provide the appropriate personnel to facilitate the On-Site PMSA.

Horstman Canada shall brief the Supplier with the analysis findings. Based on the findings, the Supplier may be required to develop and implement a corrective action plan to correct any areas of non-compliance.

**Inventory Identification/Segregation**

The supplier shall ensure that all GP is distinctively identified through the use of labeling, bar coding, decals, or stamping, as "Property of the 'enter applicable Government name here'", segregated and recorded.

Property of the US Government must be kept separated from other Government property and cannot be comingled or co-located with any other material. GP will arrive at your location identified as GP on accompanying paperwork.

<u>REVISION</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>REV'D BY</u>
A	06/08/2023	REVISED TO HC	C.ALBECKER

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**Property Control**

- The supplier shall ensure that all GP is protected against:
- Unauthorized access or usage,
- Theft or misappropriation,
- The elements, including excess of dust and dirt, and
- Possible breach of security

**Physical Inventory Report**

The supplier shall complete and submit an annual physical inventory report each year of all GP currently in their care & control. The report must include the following:

- Part number
- Name
- Quantity on hand

The total of this inventory should equal the amount of GP received. Any discrepancies or variances to GP received must be explained in the report.

**Loss, Theft, Damage and/or Destroyed (LTDD)**

The supplier shall notify Horstman Canada the next business day regarding a LTDD condition. The Supplier must then submit a formal report to Horstman Canada within 10 days of submitting the initial notice.

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