

HORSTMAN CANADA
SUPPLIER QUALITY ASSURANCE REQUIREMENTS
SQAR No. 19

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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.

19 Nonconforming Material Control

- 19.1 A Corrective Action Report (Horstman Canada Exhibit 34 or vendors form) is required when (1) the rejection is for a characteristic critical to final product fit or function, as determined by Horstman Canada, or, (2) when a rejected part's percent acceptable rating falls below accepted levels. A response is required to show corrective action.
- 19.2 Whether material is returned to the seller or not, the seller shall conduct an immediate failure analysis and process investigation to take corrective action to preclude the recurrence of the disclosed defect(s).
- 19.3 The seller shall complete and return the Corrective Action Report to Horstman Canada QA reporting the probable cause(s) of the defect(s), action(s) taken to prevent recurrence, and the effective point of the corrective action. Response is required, usually, within 20 working days.
- 19.4 Horstman Canada will take appropriate action when sellers do not respond to requests for corrective action investigations.
- 19.5 Task Force and/or Corrective Action meetings with the seller, Horstman Canada, and/or the end user may be requested by any party to help resolve difficult problems in an atmosphere of teamwork, partnership and mutual respect. Quality products of conformance and/or use are a mutual goal.
- 19.6 Returned materials are to be reworked/repared or replaced by the seller in accordance with the applicable technical requirements and re-inspected in accordance with the Inspection Sampling Plan outlined in SQAR01 Section 6.

19.2 Request for Deviation/Request for Waiver (RFD/RFW)

- 19.2.1 Shipments of nonconforming parts and/or assemblies by the seller is limited to only those items having Horstman Canada approved (and/or government approved, where required) waivers or deviations for the applicable purchase order for use at Horstman Canada. The seller will request approval in writing and Horstman Canada will notify the seller of the decision in writing. The shipment shall be deferred until the approval is granted. In extreme

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C	JUNE 06/2023	REVISED TO HC	C. ALBECKER

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cases, verbal approval may be granted but only on the authority of Horstman Canada Chief Engineer. Any unauthorized shipment of material prior to approval of RFD/RFW will result in rejection of the material. Shipments of unauthorized lots will be (1) held up to thirty days unpaid or (2) returned to the seller at the seller's expense. The seller will request RFD/RFW for all Use As Is Repair of major non-conformances for every affected purchase order.

- 19.2.2 All material shipped to Horstman Canada affected by an approved RFD/RFW must be segregated and identified separate from other production material. Separate invoices and packing slips are required even though there is no change in price. Failure to comply will result in rejection of the parts received.

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