

HORSTMAN CANADA
SUPPLIER QUALITY ASSURANCE REQUIREMENTS
SQAR No. 1

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.

1 Quality Assurance

- 1.1 In the performance of the purchase order, the seller shall comply with drawings, specifications, and Supplementary Quality Assurance Provisions (SQAP) / Quality Assurance Requirements (QAR) / Quality Assurance Provisions (QAP). These provisions cover the minimum inspection necessary to assure compliance with established requirements.
- 1.2 Objective evidence of tests or operations performed by the seller, as required by purchase order, shall be forwarded to Horstman Canada, Attn: Quality Assurance. Failure to provide this data prior to or with the shipment shall be cause for rejection at Horstman Canada or, if production schedules are jeopardized, Horstman Canada may elect to perform the necessary operations and/or tests at the seller's expense. A purchase order amendment shall be used to add or delete quality requirements.
- 1.3 Note: The term "contractor", whenever the same appears in the SQAP/QAR/QAP, shall mean "seller".

2 Changes to Processes

- 2.1 The seller shall make no change in design, materials, manufacturing location, manufacturing processes or sources of supply after Horstman Canada acceptance of the first production test item; without the written approval of Horstman Canada.

3 Finishes

- 3.1 Surface finishing processes such as zinc, chrome, anodizing or others, shall meet the specified requirements as described by the corresponding governing specifications. Records and sample test results shall be maintained and available for review or submittal to Horstman Canada upon request. Specification used for processing and/or testing shall be included on the test results.
- 3.2 The uses of Hexavalent Chromium and Cadmium in finishing processes or the manufacture of products are not allowed unless a waiver is secured by Horstman Canada from their Customer. This approval must be provided to you (the supplier) in writing, prior to product delivery to Horstman Canada or its Customers.

4 Inspection Provisions

- 4.1 The methods and procedures used in the inspection of all materials furnished must be specifically designed to obtain product quality by complying with IATF 16949/AS9100

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Quality management Systems, or ISO 9001 Quality Management System Requirements and/or FAR 52.246-2 "Inspection of Supplies". It shall be the seller's responsibility to assure that all requirements of the purchase order are imposed on his suppliers and subcontractors. The seller must conduct sufficient inspection to assure that such requirements have been accomplished and that the products meet, in all respects, the requirements of the purchase order.

5 **Supplier Inspection**

5.1 The seller is responsible for the performance of all inspections and tests at the frequency and/or level of inspection in accordance with the test methods and procedures prescribed by the drawing, specification or SQAP/QAR/QAP prior to shipping materials to Horstman Canada. Unless otherwise specified, the seller may utilize their facilities or those of any commercial laboratory acceptable to Horstman Canada. Sampling procedures, inspection records, examinations and/or test reports must be complete and available to Horstman Canada and Government Inspection as required.

6 **Visual, Dimensional and Functional Inspection**

6.1 Visual, dimensional and/or functional characteristics shown on the applicable drawings, or as indicated on the SQAP/QAP/QAR or applicable specifications, shall be inspected by the seller using one of the following systems:

6.2 Statistical sampling in accordance with C=0 Sampling Plan or ANSI/ASQC Z1.4, "Sampling Procedures and Tables For Inspection by Attributes". Non-SQAP/QAP/QAR drawing characteristics shall be inspected at an AQL specified on the SQAP/QAP/QAR or when an AQL is not specified, to an AQL equivalent to 4.0.

6.3 Equivalent system of Inspection (subject to written approval by Horstman Canada) that will assure a quality level comparable to C=0 Sampling Plan.

6.4 100% inspection.

6.5 Implementation of a Statistical Process Control Program.

6.6 NOTE: Horstman Canada will inspect materials upon receipt and reserves the right to survey and audit the Seller's operations.

7 **Inspection Equipment**

7.1 Unless otherwise specified, the seller shall provide and maintain gauges and other measuring and testing devices considered necessary for inspection of supplies for conformance to requirements.

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- 7.2 Government Furnished Inspection Equipment shall be maintained, checked and calibrated periodically with suitable measuring equipment to assure continued accuracy in accordance with ISO 10012 or ANSI/NCLS Z540.1. Disposition of such equipment shall be controlled by instructions from Horstman Canada at the time of the particular Contract or Purchase Order.
- 7.3 The inspection gauges, devices, etc shall be checked and calibrated periodically with suitable measuring equipment to assure continued accuracy in accordance with ISO 10012 or ANSI/NCLS Z540.1.
- 7.4 When commercial, modified commercial or subcontractor-designed inspection equipment or measuring set-ups are specified on the SQAP/QAP/QAR, this equipment must be designed and manufactured to an accuracy no greater than 10% of the component tolerance. Gauge R&R studies should follow current industry rules and practices.
- 7.5 The seller may use standard or special equipment which equals or exceeds the capability of the equipment specified.
- 7.6 When Inspection Method Control (IMC) Sheets are prescribed on the SQAP/QAP/QAR under "Method of Inspection", the seller shall comply with all requirements specified on the IMC sheet.
- 7.7 Production tooling used as a media of inspection must be certified and subject to periodic inspection at a frequency that guarantees continued accuracy. They shall be afforded the same control as gauges and inspection equipment.
- 8 **Horstman Canada Surveys/Audits at Supplier Facility**
Horstman Canada reserves the right to conduct quality surveys and follow-up audits at the seller's facility at no increase in cost or delay in delivery. Access shall be granted to Horstman Canada representatives to investigate production facilities and inspection records pertinent to the seller's end product. Reasonable notification will be given to the seller prior to the conduct of these surveys and audits. Refusal to grant access to authorized Horstman Canada representatives may be grounds for disqualification as an approved supplier.

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