

HORSTMAN CANADA
SUPPLIER QUALITY ASSURANCE REQUIREMENTS
SQAR No. 32

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.

32. Controlled Goods Purchasing

32.1. Definitions

32.2. "Controlled Goods" are:

- 32.2.1. ITAR-controlled military and military-related goods and technologies (including drawings and specifications)
- 32.2.2. ITAR-controlled dual-use goods and technologies (including drawings and specifications) as may be in the company's possession.
- 32.2.3. Military and military-related goods and technologies (including drawings and specifications) that have been supplied and declared by a Canadian customer as "Controlled Goods" as may be in the company's possession.
- 32.2.4. Dual-use goods and technologies (including drawings and specifications) that have been supplied and declared by a Canadian customer as "Controlled Goods" as may be in the company's possession.

32.3. Requirements

- 32.3.1. The Company certifies that it is a Canadian registered person in accordance with the Canadian Defense Production Act or a US company registered with DDTC and agrees to notify Horstman Canada immediately if there is any change in its status as a Canadian registered person.
- 32.3.2. The Company certifies that any technical data or defense services received by it from Horstman Canada will be used only to produce, design, assemble, maintain, or service a defense article (i.e., hardware, technical data) for use by a registered U.S. company, or for use by a U.S. Federal Government program, or for end-use in a Canadian Federal, Provincial, or Territorial Government program; and that the defense services and technical data are limited to those defined in 22 C.F.R. § 126.5(c)(6) (specifically, build-to-print or build / design-to-specification) and its companion Canadian federal legislation, Bill S-25.
- 32.3.3. Any defense articles produced by the Company as a result of the technical data and defense services being furnished by Horstman Canada will be delivered directly and only to Horstman Canada, the U.S. Federal Government, a contractor or subcontractor who is a Canadian registered person, or a Canadian Federal, Provincial, or Territorial Government.

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C	June 6/2023	Changed GKEC to HCAN	C. Williamson

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- 32.3.4. The Company agrees not to disclose the technical data furnished by Horstman Canada to any other non-U.S. contractor, subcontractor, or other entity that is not a Canadian registered person or a U.S. manufacturer registered under 22 C.F.R. Part 122 and its companion Canadian federal legislation, Bill S-25.
- 32.3.5. The Company agrees that any subcontract it enters into with respect to the technical data and defense services it receives from Horstman Canada will contain the relevant limitations contained in 22 C.F.R. § 126.5 and its companion Canadian federal legislation, Bill S-25 (i.e., the same provisions as are included in this letter agreement).
- 32.3.6. The vendor agrees to identify, upon request, all contractors, subcontractors or customers working on the Subject Parts.
- 32.3.7. The company agree to destroy or return to Horstman Canada all of the technical data exported pursuant to any contract or purchase order upon fulfillment of the contract, unless for use by a Canadian or U.S. government entity that requires in writing the technical data be maintained, and the company agrees to require that any of its subcontractors destroy or return to Horstman Canada or the company all such technical data. The company further agrees to provide Horstman Canada with written certification the destruction required by this paragraph.
- 32.3.8. The company agrees that all documentation created from U.S. Technical data will contain the statement, “This document contains technical data, the use of which is restricted by the US Arms Export Control Act. The data has been provided in accordance with, and is subject to, the limitations specified in § 126.5 of the International Traffic in Arms Regulations (ITAR). By accepting this data, the consignee agrees to honor the requirements of ITAR”.
- 32.3.9. No dual / third country national having nationality of a country proscribed in 22 C.F.R. § 126.5 will be granted access to any technical data , defense articles or defense services exported, transferred or developed in accordance with 22 C.F.R. § 126.5 and its companion Canadian federal legislation, Bill S-25.

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