

F-18 PROGRAM MANDATORY FLOW DOWNS

Supplier Quality Assurance Requirements (SQAR), Rev Date: 12/7/09

1. Quality Record Retention

The Supplier shall maintain Quality records in accordance with the applicable Quality System standard (i.e., ISO 9001, AS/EN9100). The records shall be retained for a period of not less than seven (7) years from completion of the purchase order. The Supplier must impose this requirement on their subtiers.

Records shall include, but not be limited to:

- Evidence of inspection to assure adherence to applicable drawings or specifications and revisions.
- First Article Inspection Report
- Test Reports
- Periodic inspection and control of inspection media
- Records to indicate control of Special Tooling and Special Test Equipment
- Test data records of all qualification and acceptance test performed
- Certification of personnel as required by specification and/or contract
- Raw Material and Process certifications
- Material Review Reports

Raw Material and Process certifications, referencing any/all applicable specifications and revisions, are required from all suppliers. Copies of all certifications from the suppliers and subtier suppliers must be forwarded with each shipment as part of the Supplier Certificate of Conformance.

2. Quality Management System

This Purchase Order is placed by DNE Technologies, Inc. in response to our customer Northrop Grumman Integrated Systems, F/A-18E/F Program. All suppliers shall maintain a quality system equivalent to either ISO9001:2008, AS/EN9100A or AS9003 standard.

A First Article Inspection Report in accordance with AS9102 is required. This does not apply to Commercial Off the Shelf / Catalog items. An AS9102 First Article Inspection Report is required with your first delivery of product to DNE. A new AS9102 First Article Inspection Report will be required only if one or more of the following apply:

- a. A change in design affecting fit, form, or function of the part.
- b. A change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling or materials, that can potentially affect fit, form or function.

- c. A change in numerical control program or translation to another media that can potentially affect fit, form or function.
- d. A natural or man-made event, which may adversely affect the manufacturing process.
- e. A lapse in production for two years, or as specified by DNE Technologies.

3. Right of Access

Supplier agrees that Northrop Grumman or their customer will have reasonable access to all areas where work under this Purchase Order is being performed for the purpose of reviewing Supplier's manufacturing and processing plans and records and conducting preliminary inspection and tests of final product as well as work in process.

4. Preference for Domestic Specialty Metals

By acceptance of this Purchase Order, Supplier certifies that it meets the requirements of the DFAR 252.225-7014 (Alt. 1) shown below. This clause applies to standard hardware as well as products built to DNE drawings.

DFARS 252.225-7014 Preference for domestic specialty metals.

PREFERENCE FOR DOMESTIC SPECIALTY METALS (JUN 2005)

(a) Definitions. As used in this clause —

(1) Qualifying country means any country listed in subsection 225.872-1 of the Defense Federal Acquisition Regulation Supplement.

(2) Specialty metals means —

(i) Steel —

(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium;

(ii) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium base alloys.

(b) Any specialty metals incorporated in articles delivered under this contract shall be melted in the United States or its outlying areas.

(c) This clause does not apply to specialty metals —

(1) Melted in a qualifying country or incorporated in an article manufactured in a qualifying country; or

(2) Purchased by a subcontractor at any tier.

(End of clause)

Alternate I (APR 2003)

As prescribed in 225.7002-3(b)(2), substitute the following paragraph (c) for paragraph (c) of the basic clause, and add the following paragraph (d) to the basic clause:

(c) This clause does not apply to specialty metals melted in a qualifying country or incorporated in an article manufactured in a qualifying country.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts for items containing specialty metals.

Note: Current qualifying countries include: Australia, Belgium, Canada, Denmark, Egypt, Federal Republic of German, France, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland.

EXCLUSION:

The DFARS Specialty Metals Domestic Non-Availability Determination (DNAD) covering specific types of hardware and fasteners has been released by The Under Secretary of Defense in April 2007.

As a result, DNE Technologies may procure items containing fasteners notwithstanding the country where the specialty metals contained in such items were melted or produced. This DNAD is applicable to current and future procurements of fasteners described in the following hardware (FSC) Federal Stock Classes:

- 5305 Screws
- 5306 Bolts
- 5307 Studs
- 5310 Nuts and Washers -- Includes locknuts, eye nuts, plain nuts, castellated nuts, concave or convex washers, keyed washers, lock washers, shouldered washers, split washers, Excludes bearing thrust washers, shims, ring spacers, plate spacers, lock rings
- 5320 Rivets

- 5325 Fastening Devices – includes eyelets, grommets, aircraft cowling fasteners, textile fasteners, retaining rings, threaded inserts and North American Industry Classification System (NAICS) 2002 code 332722 but excludes cotter pins, dowel pins, hose clamps, spring pins and turnbuckles.

Until further notice, procured product listed hereinabove are exempt from the DFAR 252.225-7014 specialty metals clause.

5. Air Emission Standards

Supplier shall comply with all applicable Federal, State or local air pollution or emission statutes, rules, regulations, permits or other regulatory controls. Supplier and any of your subcontractors located in California shall also comply with the state and local statutes, rules, regulations, permits and Government orders effective on the date of this Purchase Order, or as adopted or amended during its performance.

Should a violation, alleged violation, or potential violation of applicable statutes, rules, regulations, permits or Government orders exist before or occur during the term of this Purchase Order, Supplier and your subcontractors shall immediately: (1) satisfy DNE's schedule, quality requirements and all terms and conditions of the Purchase Order within full compliance of the law, or advise DNE of Supplier's inability to perform; (2) establish and maintain compliance with all applicable statutes, rules, regulations, permits and orders at no cost or charge to DNE; and (3) notify DNE of any notice of violation or warning notice of violation received or that the Supplier anticipates receiving from Federal, state or local air pollution or emission authorities that affect or may affect the fulfillment of this Purchase Order. Supplier's failure to comply with this clause may result in termination of this Purchase Order.

6. Counterfeit Parts

All fasteners and/or electrical, electronic and electro-mechanical parts delivered and/or used in the manufacture of deliverable products shall be from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) or their franchised dealer or an authorized distributor chain. Parts shall not be used or reclaimed and misrepresented as new. Parts shall not be acquired from independent distributors or brokers unless specifically authorized in writing by DNE and our end Customer NGC. The supplier shall verify the procurement source and associated certifying paperwork. Appropriate inspection and/or test methods shall be used to detect potential counterfeit parts and materials.