



## Pacific IC Source - Supplier Quality Assurance Requirements

This document establishes general and special product assurance requirements clauses for use on the Purchase Order and is part of the Terms and Conditions. It is intended to clearly define all requirements for the Seller to assure that all products delivered by Seller on the Purchase Order conform to Buyer specified requirements for quality, reliability, and integrity. **APPLICABLE PURCHASE ORDER SQAR REQUIREMENTS ARE CHECKED** .

**SQAR -1 UNAUTHORIZED PRODUCT CHANGES OR SUBSTITUTIONS**-Seller shall not make any changes or substitutions to any product(s) or services required by the applicable drawing, specification, contract, or purchase order without prior written authorization by Buyer. Authorization may be contingent on Buyer or Buyer's representative's review of proposed changes.

**SQAR-2 UNAUTHORIZED PRODUCT REPAIRS & SALVAGE**-The Seller may not perform any repairs by any standard or other repair practice or method on products damaged or found to be discrepant during outgoing inspections, unless such repairs are specifically permitted by the applicable drawing, specification, contract, or purchase order, or are specifically authorized by Pacific IC Source in writing for each occurrence.

**SQAR-3 QUALITY SYSTEM**-The supplier's quality system, as a minimum, must have a completed Pacific IC Source survey and must have a quality management system that complies with the requirements as stated in the ISO 9001 Standard. Suppliers who do not have a quality management system that complies with the ISO 9001 standard must be an approved Pacific IC Source supplier.

**SQAR-4 RIGHT-OF-ENTRY**-By acceptance of this purchase order, the supplier grants to Pacific IC Source, its customer, and/or their prime contractor, including FAA or Government representatives; the right-of-entry for the purpose of examining work, materials, and records to insure conformance to contractual requirements. The supplier shall flow down this requirement to their sub-tiers.

**SQAR-5 PROCESS APPROVAL REQUIRED**-The process specifications indicated on the purchase order require prior approval of supplier's facility by Pacific IC Source's customer. Notify the Pacific IC Source Purchasing Department

**SQAR-6 INSPECTION AND ACCEPTANCE**-The product(s) pertaining to this Purchase Order are subject to inspection, testing, and approval at all reasonable times and places by Buyer, Buyer's customer or government representative before, during and after performance and delivery. The Buyer may require the Seller to rework, replace or reimburse the purchase price of rejected material or Buyer may accept any materials and upon discovery of nonconformance, may reject or keep and rework any such material. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or re-inspection by Buyer shall be at Seller's expense. Buyer's failure to inspect does not relieve Seller of any responsibility to perform according to the terms of the Purchase Order.

**SQAR-7 INSPECTION REPORT**-The Seller shall furnish a copy of the completed final acceptance inspection report, along with actual measurement data and Quality Control

**SQAR-8 CERTIFICATE OF CONFORMANCE**-The Seller shall furnish a Certificate of Conformance (C of C) with each shipment of each item listed on this purchase order. Where applicable this shall include test reports and airworthiness certificates of conformity. As a minimum, the C of C shall include the following information:

For component suppliers:

1. The Pacific IC Source purchase order number
2. Part number and revision level
3. A reference to all applicable specifications as listed on PO or drawings
4. Quantity and unit of measure for items shipped
5. Name and address of manufacturer/processor
6. Date of certification
7. Signature of an authorized company representative

**SQAR-9 MANUFACTURER CERTIFICATION**-Original manufacturer certifications are required to be submitted with the items procured on this purchase order, please ensure the certifications are included with the shipment to aide in receiving and the payment of invoices.

**SQAR-10 PART NUMBER & REVISION**-The Seller shall include the Pacific IC Source part number and revision on the certificate of conformance (C of C).

**SQAR-11 APPROVAL OF CHANGES**-When specified on individual Purchase Orders, Pacific IC Source requires the Seller to notify Pacific IC Source of any changes to supplier's product, processes, or services.

**SQAR-12 SPECIAL PROCESS APPROVAL**-Special process suppliers are responsible for compliance to the applicable specifications, including customer special process approval, whether the operation is performed within their facility or flowed down per the Seller's purchase order to the Seller's subcontractor.

**SQAR-13 FLOW DOWN OF REQUIREMENTS**-When specified on individual Purchase Orders Pacific IC Source requires the Seller to flow down to sub-tier suppliers the applicable requirements in the Purchase Order, including any key characteristics. When requested, subjective evidence of flow down requirements is required.

**SQAR-14 NON-CONFORMANCES**-Any deviation to Pacific IC Source's requirements set forth in this Purchase Order shall be documented and submitted to Pacific IC Source for disposition prior to product shipment from Seller's facility. Supplier is required to notify Pacific IC Source of nonconforming product, obtain approval from Pacific IC Source for approval for nonconforming product disposition, notify Pacific IC Source of changes in the product and/or process definition, changes of suppliers, change of manufacturing facility location and where required, obtain approval from Pacific IC Source.

**SQAR-15 SUBCONTRACTING**-The Seller is prohibited from subcontracting any portion of the work to be performed in the performance of this contract, without written authorization.

**SQAR-16 RECORD RETENTION**-Unless otherwise specified on the Purchase Order, the Seller shall retain all required records as objective evidence of conformance to Purchase Order requirements, including Seller's records and certifications of the inspections and test performed in the course of procurement, manufacturing instructions, testing, processing, inspecting, preserving, packaging, and shipping product(s) or any other quality system control records associated with the Purchase Order, for a minimum of 15 years or as required by Pacific IC Source customer after completion of the order. Such records shall be made available to Pacific IC Source for review upon request.

**SQAR-17 GOVERNMENT SOURCE INSPECTION**-Upon receipt of this purchase order, promptly furnish a copy to the Government Quality Representative that normally services your facility; or if there is none, to the nearest US Army, Air Force, or Defense Supply Agency Inspection Office. In the event that one of the above mentioned agencies cannot be located in your area, contact the Pacific IC Source Purchasing Department for instructions.

**SQAR-18 CUSTOMER SOURCE INSPECTION**-Upon completion of the order and prior to shipment, notify Pacific IC Source's Purchasing Department so that arrangements can be made for a Customer Quality Source Inspector to visit your facility and perform a source inspection.

**SQAR-19 PACIFIC IS SOURCE-SOURCE INSPECTION**-Upon completion of the order and prior to shipment, notify Pacific IC Source Purchasing Department so that arrangements can be made for a Quality Representative from Pacific IC Source to visit your facility and perform a source inspection.

**SQAR-20 FIRST ARTICLE REQUIREMENTS**-When the Seller is delivering the product of the first time or when there is a revision change, the Seller shall perform a First Article Inspection (FAI) in accordance with the requirements of the current revision of SAE Aerospace Standard AS9102. The supplier shall furnish a copy of the completed 1st Article Inspection results (including all material, process and other certifications required by the Purchase order and/or drawing notes) with the initial delivery of products on the Purchase Order. The 1st Article shall be repeated and submitted any time there is a change to the revision of the drawing, significant changes in the manufacturing method or if the purchase order calls for a new first article to be submitted. The first article shall be submitted to Pacific IC Source for review and acceptance prior to delivery of the product.

**SQAR-21 SHELF LIFE CONTROL**-For age sensitive material – the material expiration, as applicable, shall be noted on the certification. A minimum 85% shelf life shall remain upon shipment unless waived by Buyer in writing.

**SQAR-22 CHEMICAL AND PHYSICAL TEST REPORTS**-If required, the Seller shall furnish a copy of a certified test report with each shipment for each item listed on this purchase order. As a minimum, one of the following test reports shall accompany the shipment:

- The Original Manufacturer's test report
- An accredited laboratory's test report
- An Authorized Distributor's test report

**SQAR-23 CALIBRATION**-The Seller shall provide and maintain a calibration system that meets at least one of the following requirements, as currently amended, in the performance of this contract:

- MIL-STD-45662A *Calibration System Requirements*
- ISO 10012-1 *Quality Assurance Requirements for Measuring Equipment*
- ANSI/NCCL Z540-1 *American National standard for Calibration*
- ISO 17025 *Requirements for the competence of testing and calibration laboratories*

The Seller shall notify Pacific IC Source immediately of out-of-tolerance conditions that may have impacted performance of contracts or purchase orders.

**SQAR-24 ITAR RESTRICTED USE**-The supplier shall adhere to ITAR requirements for performing work or service involving ITAR compliance. In accordance with ITAR 22 C.F.R. 120- 130 *International Traffic in Arms Regulation*, all documents identified as ITAR controlled shall be identified, maintained in Document Control, and segregated from non-ITAR documents. Documents identified as ITAR controlled shall be viewed only by a US Person. A US Person means an entity that is: a US Citizen or a Legal Resident, or a US organization incorporated to do business in the United States.

**SQAR-25 DFARS 252.225 SPECIALTY METALS**-The Seller shall provide certification that the materials furnished were melted in one of the approved qualified countries or in the United States in compliance with DFARS 252.225-7014 Preference for Domestic Specialty Metals, Alt 1.

**SQAR-26 MATERIAL CERTIFICATIONS**-For each lot or heat of material supplied on this order, the Seller shall furnish a certified material test report showing the material description, including as applicable, the material name or designation, alloy, type, grade or condition, the producers (mill) name, the lot or heat number and the material specification and revision to which the material complies.

**SQAR-27 Contractor Suspect Unapproved, Unapproved and Counterfeit Electronic Part Detection and Avoidance System**-Flow down of suspect unapproved, unapproved and counterfeit detection and avoidance requirements, including applicable system criteria provided herein, to subcontractors at all levels in the supply chain that are responsible for buying or selling electronic parts or assemblies containing electronic parts, or for performing authentication testing per AS6081 Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition - Distributors .

**SQAR-28 Material Safety Data Sheets**- If the nature or content of the seller's product requires a material safety data sheet (MSDS) the seller shall ensure that the MSDS accompanies the shipment.

**SQAR-29 CONFLICT MATERIALS/MINERALS** -Pacific IC Source requires all sub-tier suppliers to comply with the Dodd-Frank Act of 2010 which supports ending the violence and human rights violations in the mining of certain minerals from a location described as the "Conflict Region", which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. As a result the U.S. Securities and Exchange Commission ("SEC") adopted final rules to implement reporting and disclosure requirements related to "conflict minerals," as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rules require manufacturers who file certain reports with the SEC to disclose whether the products they manufacture or contract to manufacture contain "conflict minerals" that are "necessary to the functionality or production" of those products.

**SQAR-30 ROHS COMPLIANCE**-Suppliers of components are required to offering products supporting Restriction of Hazardous Substances (RoHS) directive 2002/95/EC, ROHS2 Directive 2011/65/EU and amendment 2015/863/EU. All of our dielectric formulations are RoHS compliant and we offer a broad range of capacitors free of Lead in the terminations. Pacific IC Source complies with the requirements of the individual customer and will maintain product offerings that meet the demand of our industry

**SQAR-31 PRODUCT AND SERVICE CONFORMITY ; IMPORTANCE OF ETHICAL BEHAVIOR and THEIR CONTRIBUTION TO PRODUCT SAFETY**- Supplier shall be aware of their contribution to product and service conformity as per applicable to Pacific IC Source or customer specifications and flow down requirements. This includes any applicable functional or electric testing and the importance of ethical behavior.

**SQAR-32 PROHIBITED PACKAGING MATERIALS**- Suppliers are prohibited from using staples, newspapers, polystyrene loose fill interior cushioning material or packing peanuts as packaging materials.

**SQAR-33 TRAINING AND QUALIFICATIONS**-The Supplier shall establish and maintain documented procedures for identifying training and qualification needs and provide for the training of all personnel performing activities affecting quality. The supplier shall have objective evidence that personnel performing process operations and quality inspection, or test functions have been trained and properly qualified to perform their tasks.

**SQAR-34 PACKAGING, HANDLING, LABELING AND COUNTERFEIT MITIGATION REQUIREMENTS**-Supplier shall flow down to all contractors and comply with the following: 1) All electronic components, assemblies and sub-assemblies containing Pb-free solder and/or finish shall be clearly identified and marked as such in accordance with IPC/JEDEC J-STD-609.; 2) All plastic-encapsulated microcircuits shall be identified and classified for moisture/reflow sensitivity in accordance with IPC/JEDEC J-STD-020B. Moisture sensitive components shall be packaged in the original factory-sealed moisture-barrier bag with appropriate desiccant and humidity indicator card included in accordance with IPC/JEDEC J- STD-033A. Moisture sensitive devices shall indicate the moisture sensitivity level using a Moisture-Sensitive

Identification” (MSID) label and the “Caution” label as specified in EIA/ JEDEC JEP113. Each packing container shall include a Humidity Indicator Card (HIC) using sensitivity values of 5% RH, 10% RH, and 15% RH. Any opened and/or damaged packaging where the microcircuits have been exposed to humidity exceeding 15% (as indicated on humidity indicator card) shall be rejected.; 3) AS5553 or an equivalent counterfeit electronic avoidance, detection, mitigation, and disposition policy.; 4) The supplier is responsible for ensuring that ESD sensitive product is handled and identified in accordance with ANSI/ESD S20.20 or equivalent. The Supplier shall maintain an ESD program in accordance with ESD S20.20 or equivalent.;5) Electronic component authenticity testing, as applicable to the contract, per AS6081 -Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition – Distributors.

**SQAR-35 ITEM IDENTIFICATION AND VALUATION-** Supplier shall flow down to all contractors and comply with the following requirements in DFARS 252.211-7003. The contractor shall provide DoD unique identification, or a DoD recognized unique identification equivalent.

**SQAR-36 UNPACKING INSTRUCTIONS: COMPLEX OR DELICATE EQUIPMENT** As applicable per the contract, Supplier shall flow down to all contractors and comply with the following requirements: 1) Provide a waterproof envelope marked with and containing “UNPACKING INFORMATION”. 2) When unpacking instructions are provided for a container, the shipping container shall be stenciled “CAUTION-THIS EQUIPMENT MAY BE SERIOUSLY DAMAGED UNLESS UNPACKING INSTRUCTIONS ARE CAREFULLY FOLLOWED. UNPACKING INSTRUCTIONS ARE LOCATED (STATE WHERE LOCATED)” 3) All shipping containers shall be marked in accordance with the best commercial practices.

**MANDATORY FAR AND DFAR FLOWDOWN CLAUSES RELATING TO GOVERNMENT CONTRACT REQUIREMENTS-** see attachment FR-840-103 Rev A