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Supplier Quality Requirements
Rev G
11/25/2023

SUPPLIER QUALITY REQUIREMENTS (SQR)

DGSQR_Supplier Quality Requirements_Rev G [Procedure # v13]

DGSQR Supplier Quality Requirements - Rev G

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REVISION HISTORY				
Revision	Approved By	Revision Date	Description of Change	Author
-	H. Benabess	3/31/2021	Initial release	R. Pineda
A	H. Benabess	4/27/2021	Removed Revision date from Cover Page Verbiage: "Vendor" changed to "Supplier" throughout, Dayton Granger, Inc. changed to DG throughout Corrected Table of Contents and renumbered sections accordingly Section 3.3 (previously 2.3) to read "4.0 Clauses." Table 1 – Clauses updated to reflect "4.1, 4.2, etc.) per renumbering, Categories revised to reflect code names Section 20.3.2 Heading corrected to read DFARS Removed category Materials.Indirect.000 from Table 1	R. Pineda
B	H. Benabess	3/21/2022	Add to section 4.11 "DG complies with..." Insert Photo. Add new section 13. SUPPLIER SUB-TIER CONTROL. Add new section 14 RATING SYSTEM. Renumber subsequent sections.	R. Pineda
C	H. Benabess	9/19/2022	Add "The supplier shall ensure that all... risks associated to sub-supplier" to section 13. Change NAS412 to AS9146 in section 16 FOD. Add new section 21 Cybersecurity and Cyber Risk Management	R. Pineda
D	H. Benabess	11/4/2022	Add Further Clarification for NADCAP System in section 9.1. Add new Section 18 Audits and New section 21 Tooling.	R. Pineda
E	H. Benabess	4/12/2023	Renumbered sequences and format	R. Pineda
F	H. Benabess	5/19/2023	Update 2.4 to Right of Access. Update table 1 to include CUI Category. Add section 14.1.1. Add new section 22 "Controlled Unclassified Information (CUI) Compliance." Renumber subsequent sections.	R. Pineda
G	H. Benabess	11/25/2023	Update Table of Contents. Update FAR Section	R. Pineda



Excellence in Aerospace since 1943

Supplier Quality Requirements
Rev G
11/25/2023

Table of Contents

1. OVERVIEW4
2. GENERAL5
3. SHIPPING DOCUMENTATION REQUIREMENTS5
4. CLAUSES7
5. ORIGINAL CERTIFICATION11
6. DROP SHIPMENTS11
7. QUALIFIED PRODUCTS11
8. TOOL PROOFING12
9. QUALITY SYSTEM REQUIREMENTS12
10. QUALITY RECORDS14
11. LANGUAGE15
12. INDUSTRIAL CHANGE MANAGEMENT15
13. SUPPLIER SUB-TIER CONTROL16
14. RATING SYSTEM16
15. STATISTICAL PROCESS CONTROL17
16. FOREIGN OBJECT DEBRIS/DAMAGE (FOD)17
17. SOURCE OF INSPECTION18
18. AUDITS18
19. MILITARY SPECIFICATIONS18
20. CALIBRATION19
21. TOOLING19
22. CONTROLLED UNCLASSIFIED INFORMATION (CUI) COMPLIANCE19
23. GOVERNMENT19
24. CYBERSECURITY and CYBER RISK MANAGEMENT24

1. OVERVIEW

- 1.1.** This document is applicable to all Dayton-Granger, Inc. (DG) purchase orders (POs).
- 1.2.** Supplier shall meet the applicable requirements of the latest revision of SQR in effect as of the date of the Request for Quote (RFQ), unless otherwise amended by Buyer and Supplier prior to PO issuance. Supplier shall:
- A.** Ensure all applicable SQR herein and other quality requirements in the PO are imposed upon Supplier, its agents and subcontractors at all tiers working on DG's product; and
 - B.** Have and maintain internet access for obtaining requirements; and
 - C.** Comply with the additional quality requirements contained in Section 3.0, Table 1, as applicable to Supplier Commodity.
 - D.** Ensure that persons are aware of the following:
 - 1. Their contribution to product or service conformity;
 - 2. Their contribution to product safety;
 - 3. The importance of ethical behavior.
- 1.3.** It is the supplier's responsibility to regularly access the DG web site to ensure continuous compliance with the latest revision of this document and any of the referenced documents herein.
- Go to: www.Daytongranger.com
- 1.4.** The Supplier will be informed of any revisions of this document and/or the referenced ones by means of a notification from a buyer representative and it will also be noted on the Purchased Order (PO).
- 1.5.** Before bidding on, manufacturing, or delivering products and/or parts, it is essential that the Supplier fully understands the requirements of this document and any associated technical documents.

2. GENERAL

2.1. Suppliers Responsibility for Conformance

DG and its customers expect our suppliers to deliver material that is 100% compliant with all the Purchase Order (PO) requirements. If the supplier has difficulty with quality or technical issues encountered during the manufacturing process, or contractual requirements of the PO, the supplier is to communicate immediately with DG.

2.2. Design Control

The product design shall not be changed relative to fit, form, or function without prior DG approval. All proposed product design changes must be submitted in writing to DG.

2.3. Design, Fabrication Methods or Process Methods

Substitute parts shall not be used for parts specified on the purchase order. Supplier must identify part manufacturer(s) on the packing sheet.

2.4 Right to Access

Suppliers and their sub-tier suppliers shall provide to Dayton-Granger, Inc., their customer, and/or a specified third party (statutory/regulatory agency) the right of access to its facilities and all records related to product ordered by DG or its customers. DG, its customers, representatives, and/or a specified third-party reserves the right to perform an audit or inspection at supplier's facilities to verify that supplied product conforms to specified requirements. This verification does not absolve supplier of the responsibility to provide acceptable product and does not preclude subsequent rejection by DG or its customers.

2.5. Source Approval Required

All processes/materials require approval by DG. This requirement applies to all sub tier subcontractors involved in the manufacturer and testing of items listed on the purchase order.

3. SHIPPING DOCUMENTATION REQUIREMENTS

3.1 All pertinent documents related to a Purchase Order, including other contractual requirements (supplier purchase order to sub-tier, sub-tier C of C and test report, inspection report, etc.) shall be kept on file and made available upon request as per section 10, Quality Records.

3.2 All Suppliers are categorized by DG according to the type of product or service that is provided. Supplier Categorization will be specified on each Purchase order.



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Supplier Quality Requirements
Rev G
11/25/2023

3.3 Depending on Supplier Categorization, shipping documents will be defined by the clauses below.
Explanation of each clause is covered in section 4.0 Clauses.

3.4 DSGR TABLE 1 – Clauses by Supplier Categorization

Table 1: Clauses by Supplier Categorization

Clauses (section) → Categorization ↓	A (4.1)	B (4.2)	C (4.3)	D (4.4)	E (4.5)	F (4.6)	G (4.7)	H (4.8)	I (4.9)	J (4.10)	K (4.11)	L (4.12)
Castings.Default.000	X	X		X	X					X		
Castings.Default.CUI	X	X		X	X					X		
InjecExtrMolded.Default.000	X	X	X							X		
InjecExtrMolded.Default.CUI	X	X	X							X		
PrintCircuitBrd.Default.000	X	X						X		X	X	X
PrintCircuitBrd.Default.CUI	X	X						X		X	X	X
MetalParts.Fabricated.000	X	X		X	X					X		
MetalParts.Fabricated.CUI	X	X		X	X					X		
Electronics.Default.000	X	X						X	X		X	X
Wire.Default.000	X	X						X			X	X
Wire.SpecCtrl.000	X	X	X					X			X	X
Shrink.Tubing.000	X	X										
Materials.PlasticRaw.000	X	X	X									
Hardware.Default.000	X	X									X	X
Chemicals.Default.000	X	X				X	X					
Materials.MetalRaw.000	X	X		X							X	X
Materials.Application.000	X	X				X	X					
Materials.SpecCtrl.000	X	X	X			X	X					
Tapes/Labels.Default.000	X	X					X					
Materials.Composite.000	X	X	X				X					
Chemicals.Finishing.000	X	X			X							
Chemicals.Finishing.CUI	X	X			X							
Chemicals.FinishTin.000	X	X			X							X
Chemicals.FinishTin.CUI	X	X			X							X

4. CLAUSES

4.1. Packing Slip (A) The supplier shall provide a packing sheet or attachments for each separate shipment with the following minimum requirements:

- “Ship From” address (Suppliers company name and address)
- “Ship to” address
- Purchase order number
- Part numbers shown on PO
- Shipment Quantity

4.2. Certificate of Conformance (B)

All suppliers shall submit with each shipment either on their packing list, or attachments, a Certificate of Conformance (C of C), which shall be dated and bear the signature and title of an authorized Supplier Representative, stating that the materials furnished to DG are in conformance with the applicable requirements of the contract, purchase order, drawings, and specifications.

Proof of the conclusions expressed in the C of C must be supported by appropriate data. Existence of such data shall be affirmed in the C of C.

Parts, materials, or equipment covered by the C of C must be fully identified as to part number, revision level, lot number, batch or serial numbers as applicable.

4.2.1. If the supplier is not the original manufacturer, then the supplier shall submit the manufacture certification with each material lot. A supplier Certificate of Conformance is required in compliance with section 2.2. Lot traceability to the original manufacturer shall be maintained through reference on the supplier C of C.

4.2.2. Supplier’s Certification of Conformance and/or packing sheet document shall indicate the action taken on the item(s) returned to supplier for rework, replacement, repair or modification.

- A. The item(s) have been reworked, repaired, replaced, or modified (as applicable), in accordance with respective nonconformance documents or Purchase Order.
- B. The item(s) meet the requirements of the engineering document(s).
- C. All applicable nonconformance document numbers or other references to insure traceability.

4.3. Certificate of Analysis (C) A Certificate of Analysis (C of A) is required to accompany material supplied to DG, which states that the material supplied meets the required specification and includes specific test conditions, test parameters, test specifications/expected results, and results. The following information shall be included on a C of A:

- Supplier Name
- Manufacturer's Name
- Identification of Product /Product Name
- Part Number/Catalog Number
- Lot Number
- Test Conditions
- Test Parameters
- Specifications or Requirements
- Results (qualitative and/or quantitative)
- Approval Signature and Date
- Relevant document traceability references (e.g. document number, revision, etc.)

4.4. Material Test Report (D) A Material Test Report (MTR) is required to certify a materials physical and chemical property and ensure manufacturer is using material, which meets specifications and requirements. The following information is required on a MTR:

- Material Heat Number
- Mill Source
- Material grade
- Edition year and Type of Specification Met
- Mechanical Properties
- Chemical analysis
- Heat Treatment (if applicable)
- Radiographic Results (if applicable)

4.5. Process Certification (E) Process Certifications are required for Special Processes to be submitted to DG with the delivered item and shall be in accordance with C of C requirements, with the additional requirement of stating the process being certified.

Special Processes are defined as any process for production where the resulting output cannot be verified by subsequent monitoring or measurement, and consequently, deficiencies become apparent only after the product is in use or the service has been delivered.

4.6. Safety Data Sheet (F) Operational Safety and Health Administration (OSHA) Global Harmonized System (GHS): Each purchased product shipment shall contain appropriate hazard and precautionary information using Safety Data Sheets and labels, which shall be in accordance with GHS requirements.

4.7. Age Sensitive Material (G) Supplier shall provide the original manufacturing/cure date and lot number(s) as well as the shelf life expiration date (if indefinite or unlimited, so state).

The Supplier is to forward any special storage/handling instructions. Supplier is responsible to determine if acceptance test report submittal is required in accordance with applicable material specification.

Supplier shall provide DG with at least 80% freshness compared to Supplier Shelf life. This 80% shelf life requirement may be waived by DG.

4.8. Electrical Commodity Requirement (H) DG Suppliers shall state in a certificate of conformance whether the purchased product is RoHS compliant or not.

4.9. EIA-625 (I) The Supplier shall ensure that all electrostatic discharge sensitive (ESDS) devices are manufactured, processed, handled and packaged in accordance with EIA-625. This requirement applies to components and assemblies that contain, but not limited to, ESD sensitive discrete and integrated circuit semiconductors, hybrid microcircuits and thin film passive devices.

4.10. First Article Inspection (FAI) (J) The Supplier shall perform a First Article Inspection (FAI) on DG controlled drawings and specifications in accordance with the latest revision of AS9102 or a DG approved First Article Inspection Process, if one of the following conditions apply:

- First time submission (part or new supplier);
- Revision change affecting form, fit, or function;
- A process change used to manufacture the part;
- Change in manufacturing location (facility);
- 24 months or longer have passed since the supplier has last produced part;
- As requested by DG.

If the purchase order line item specifies a Buyer or Supplier designed product that has standard catalog commercial-off-the shelf hardware included at the subassembly levels, FAI is NOT required for the standard catalog or Commercial-Off-The-Shelf (COTS) parts/assemblies.

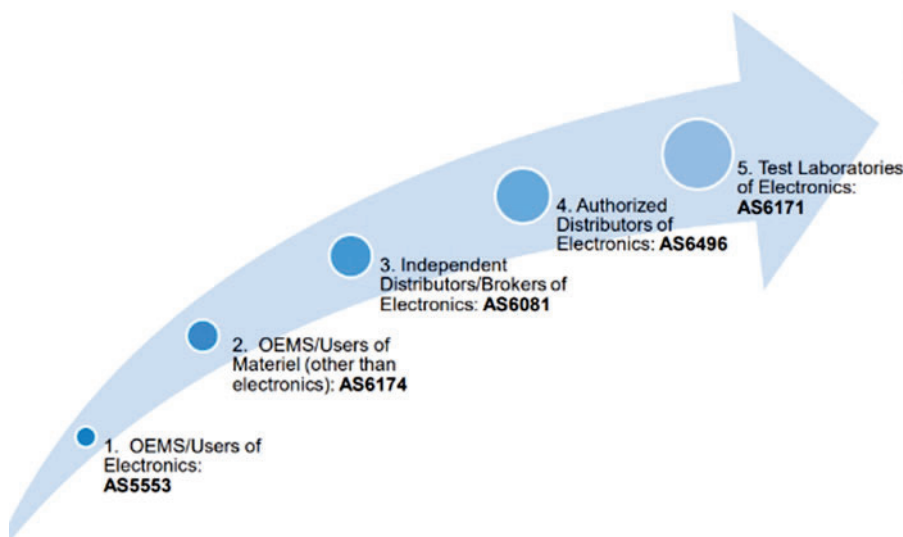
All first article inspections performed by the Supplier will be accompanied with a First Article Inspection Report (FAIR) and all other approved documentation showing conformance to the contract, purchase order, drawing, or performance requirements specified by DG.

4.11. Guarantee of Product Source (K) DG requires certification from its suppliers to ensure that only new and authentic materials are used in products delivered to DG. Components may only be purchased directly from original component manufacturers (OCMs), OCM franchised distributors, or authorized aftermarket manufacturers.

The Supplier must present compelling support for its request (e.g., OCM documentation that authenticates traceability of the parts to the OCM), and include in its request all actions to ensure the parts thus procured are authentic/conforming parts.

The Supplier shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all electrical, Electronic and electromechanical parts included in assemblies and subassemblies being delivered per each order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer and shall include the manufacturer's lot identification for the item such as date codes, lot codes and serializations.

DG complies with both AS5553, Aerospace Standard, Counterfeit Electronic Parts, and AS6174, Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material. DG Suppliers are required to comply based on their category below:



4.12. Guarantee of “DRC Conflict Free” Mineral (L) DG requires all suppliers to certify with each shipment that none of the products or materials delivered contain “conflict minerals” from “covered countries” as these terms are defined in the Securities and Exchange Commission’s final rule, promulgated pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

5. ORIGINAL CERTIFICATION

Certifications submitted by the Supplier to comply with the requirements of any clause in this document must have an “ORIGINAL” signature.

6. DROP SHIPMENTS

Material lots may be drop shipped to facilities other than to DG. Copies of the product assurance data required by the purchase order shall accompany the material lot. One copy of this data shall be mailed to DG on the day the material lot is shipped.

7. QUALIFIED PRODUCTS

Items on this purchase order shall be procured from the Qualified Parts List (QPL) sources. The inclusion of an item on the QPL only signifies that, at some time, the manufacturer made an item that met the specification requirements. It does not relieve the Supplier of their responsibility for furnishing items that meet specification requirements or for performing specified inspections and tests of such items.

8. TOOL PROOFING

Acceptance of production tooling on the purchase order is contingent upon acceptance by DG inspection of the applicable characteristics for production parts and materials. Inspections may be performed at the Supplier’s facility or at DG as specified on the purchase order.

9. QUALITY SYSTEM REQUIREMENTS

9.1. Aerospace Standard – Requirements Supplier shall implement and maintain a Quality Management System that complies with the applicable Quality System standards or specification listed in Table 2 below. The Supplier’s approval level must be appropriate for the type of product/service being delivered to DG.

Table 2: Acceptable Quality Systems

Acceptable systems	Supplier Product/Service Type
ISO 17025 or ANSI-Z540-1	Calibration Services
None imposed by DG	Commercial Items (COTS) Authorized Distributors
ISO 9001 or AS9100 or AS9003	Manufacturers (OEM)
ISO 9001 or AS9100 or AS9003, or Nadcap***	Special Processes
AS9100 or ISO 9001	Tooling

***NADCAP is the preferred qualification for Special Processes and may be required by Technical Specification, Purchase order Requirement, Or Contract.

Suppliers shall forward a copy of their Quality Management System certifications to their DG buyer representative. Certifications must clearly and accurately contain the name, address, city, and state of the business under registration. Any changes to the certification such as a change of the Certification / Registration Body, update, withdrawal, or disapproval must also be forwarded to DG buyer representative immediately.

DG may recognize second or third party certifications issued by an accredited Certification / Registration Body provided that the scope of the audit performed correlates with the type of product/ service being provided to DG. DG reserves the right to perform additional assessments if deemed necessary.

Initial and subsequent periodic review of Supplier’s quality system may be performed at the option of DG.

9.2. Exception – Quality Control System The Supplier may choose not to have a certified QMS and thus will be required to establish and maintain an effective quality control system that provides compliance assurance for purchase order requirements. This quality control system, at a minimum, shall comply with appropriate quality control requirements, including, but not limited to, the requirements specified below. This system shall be subject to a DG Quality Audit at any time and at any location including the manufacturer’s site.

- A.** Maintain the system to assure that products and services submitted for acceptance are subjected to appropriate inspections and tests required to prove conformance to purchase order requirements.
- B.** Inspect incoming products to ensure they conform to purchase order requirements. Where materials are accepted based on test reports or material certifications, these documents shall be retained as inspection records to be kept on file for the period specified by the purchase order or seven (7) years, whichever is greater.
- C.** Control the identification and storage of material that will preclude damage or loss of identity.
- D.** Age control - The Supplier shall have an effective system of age control for items whose acceptability is limited by the age of the item. The system must include a method of identifying the age of such items and provisions for stock rotation. Time lapse between cure or manufacturing date and date of scheduled receipt by DG on the purchase order shall not exceed one-fifth (1/5) of the shelf life for the material without prior written waiver from DG.
- E.** Packaging and preservation - The Supplier shall maintain controls to assure accomplishment of preservation, packaging, and shipping requirements of the contract. The use of commercial practices shall not relieve the Supplier of responsibility for packaging that will insure receipt of product at DG in an acceptable, damage-free condition.
- F.** Control of subcontractors - All items procured by suppliers from subcontractors at every tier shall comply with all applicable provisions of drawings, specifications and other requirements on the DG purchase order. The Supplier’s quality control plan shall provide for adequate control of subcontractors and appropriate record controls.
- G.** Failure analysis and corrective action - The Supplier shall analyze nonconforming returned parts and assemblies. This analysis shall contain sufficient detail to identify the root cause failure. Positive corrective action shall be implemented in a timely manner to prevent nonconformance recurrence.

9.3. Quality Program Plan When required by DG, a quality program plan is to be submitted by the Supplier for approval by DG Quality Assurance. The plan shall delineate a program to be documented and followed to ensure that the specific item is manufactured in strict accordance with Engineering, Quality, and other contractual requirements.

10. QUALITY RECORDS

10.1. The supplier shall maintain Quality records including, but not limited to Quality and Engineering records/data. The records shall be retained for a period of not less than (7) years from completion of purchase order unless otherwise specified in the Purchase Order, contract or other document signed by DG. The Supplier must impose this requirement on their sub tiers.

10.2. The Supplier shall be capable of retrieving all records for DG inspection upon request.

11. LANGUAGE

11.1. All Supplier provided records, reports, specifications, drawings, inspection and test reports, certificates of conformance and other documentation shall be in English.

12. INDUSTRIAL CHANGE MANAGEMENT

12.1. Supplier is required to provide written notification to DG at least 90 days in advance of implementing any Major Changes as defined below, and where required, obtain DG approval.

12.1.1. Major changes can include, but are not limited to any changes to Supplier name, address, upper management, facilities, tooling, materials, processes, and acceptance criteria.

12.1.2. Any process change that may affect fit, form or function of item(s) on this Purchase Order will require DG's written approval prior to implementation or delivery of product.

12.1.3. The product design shall not be changed relative to fit, form, or function without prior DG approval. Supplier may request a Design Change if appropriate technical documents are included to support the change and to confirm that the technical performance has not been altered.

12.2. Supplier shall include the following information, as a minimum, in the written notification of a change:

- A. Purpose of the applicable change,
- B. Address of the new location(s), when applicable,
- C. Assessment of actual or potential impact to current POs,
- D. Risk mitigation plan to ensure compliance to existing requirements,
- E. Plan defining the identification, storage, protection, retrieval and retention of records, if applicable,
- F. Master schedule and timeline of applicable change activity, and
- G. Relocation Coordinator/Point of Contact, if applicable

13. SUPPLIER SUB-TIER CONTROL

The supplier ultimately holds responsibility for the quality of all sub-tier products. The Supplier shall flow-down all applicable Dayton-Granger, Inc. purchase order requirements, including, but not limited to Terms and Conditions, Federal Acquisition Regulations (FAR), Defense Federal Acquisition Regulations Supplements (DFARSs), and Quality Clauses to sub-tiers performing work involving this purchase order.

The supplier shall ensure that all sub-suppliers and sub-contractors that are part of the product or provide services related to the development of the product comply with the requirements listed on section 21. The supplier shall take adequate measures to mitigate the risks associated to sub-supplier.

14. RATING SYSTEM

14.1. DG Quality Department evaluates Vendors Performance order to maintain an Approved Vendor List. Vendor performance is measured and reported on a quarterly basis using a one year window record. Vendors are evaluated on the following criteria: Quality, Delivery, Service, and Documentation.

14.1.1. Missing Documentation or numerous documentation errors may result in deduction of rating. Documentation issues to be resolved within 3 business days will have no effect on rating.

14.2. DG's goal is to maintain a supplier rating of 100%. Final Rating breakdown and weighted value for the criteria is below:

Score %	Grade
95-100	Level A – Excellent
90-94	Level B – Good



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11/25/2023

80-89	Level C – Average
< 80	Level D – Poor

Weight Values	
Quality	40%
Delivery	40%
Service	10%
Documentation	10%

- 14.3. “C” Rated Vendors: Any vendor who received a “C” rating will be notified in writing with a report detailing their performance. Corrective action is required to show actions of improvements. Vendors who do not respond to corrective action requests may be disapproved and removed from DG Approved Vendor List.
- 14.4. “D” Rated Vendors: Any vendor who received a “D” rating will be suspended. “D” rated vendors may or may not be reinstated.

15. STATISTICAL PROCESS CONTROL

Supplier shall establish and maintain a documented system for the application and implementation of quality controls by monitoring their manufacturing processes. The use of Statistical Process Control (SPC) techniques shall continuously monitor processes to ensure early recognition of special clauses of variation in a process and detection of trends in advance, which could adversely affect quality.

DG item(s) ordered might include Key Characteristics, which may be identified on the DG drawing and/or in the PO Comments. When Key Characteristics are identified, the Supplier must maintain a Cpk above 1.33 and shall include data to demonstrate Statistical Process Controls with each shipment. In addition, the Key Characteristics requirement shall flow down to the Supplier’s sub-tier suppliers.

16. FOREIGN OBJECT DEBRIS/DAMAGE (FOD)

The Supplier shall develop, implement and maintain a Foreign Object Debris/ Damage (FOD) process that meets the intent of AS9146, Foreign Object Damage/ Foreign Object Debris (FOD) Prevention, utilizing the guidance provided to establish an effective FOD prevention program for their particular product or program.

Supplier shall maintain good housekeeping to preclude introduction of or damage to any product/material caused by a foreign object(s) into any deliverable item. Supplier shall employ

appropriate practices to assure timely removal of residue/debris generated during manufacturing operations or tasks.

Supplier shall determine if sensitive areas that have a high probability for introduction of foreign objects debris should have special emphasis controls in place for the manufacturing environment. Tool and Hardware accountability methods shall be established to ensure positive control and accountability, as applicable.

FOD incidences should be investigated to determine containment actions, root cause and corrective actions to preclude future recurrence. Employee training and performance measurements should be utilized for increased awareness and continual improvement.

By delivering items to DG, Supplier shall be deemed to have certified to DG that such items are free from any foreign materials that could result in FOD.

17. SOURCE OF INSPECTION

All activity on the purchase order is subject to review at the Supplier's plant by DG prior to shipment. The Supplier shall furnish, without cost, acceptable facilities and equipment for such review activities. The Supplier shall provide a twenty-four (24) hour advance notice to the Buyer representative when items or processes are ready for DG source of inspection. Source of inspection acceptance must be indicated on the Supplier's shipping document.

18. AUDITS

Vendors who are identified as the following Commodity Category may receive and IN Person Audit at DG Discretion by either DG employee or DG Customer. DG will provide adequate notice prior to Audit.

Castings.Default.000)
InjecExtrMolded.Default.000
PrintCircuitBrd.Default.000
MetalParts.Fabricated.000

19. MILITARY SPECIFICATIONS

- A.** The Supplier and Supplier's subcontractors shall, in processing the purchase order, provide and maintain an inspection system that is in conformance with Military Specification MIL-I-45208, "Inspection System Requirements". Unless specified by the purchase order, the revision level of MIL-I45208 shall be the latest revision as of the purchase order issue date.
- B.** The Supplier and Supplier's subcontractors shall provide and maintain a quality control system that is in conformance with Military Specification MIL-Q9858, "Quality Program Requirements".
- C.** Unless specified by the purchase order, the revision level of MIL-Q9858 shall be the latest revision as of the purchase order issue date.
- D.** The Supplier and Supplier's subcontractors that provide titanium and / or titanium alloys must comply with DFARS clause 252.225- 7014 that prohibits these materials from being melted outside the U.S. and non- qualifying countries.

20. CALIBRATION

- 20.1.** Supplier shall maintain a system for calibration and maintenance of tools, jigs, inspection and test equipment that is compliant with an industry-recognized standard (ISO 17025, ISO 10012-1, ANSI Z540).
- 20.2.** If production tooling is used for inspection, these tools must be inspected for accuracy and devices shall be proved for accuracy at established intervals.

21. TOOLING

Dayton Granger Owned Tooling requires Status of inventory and Inspection every two years. The Report shall be documented on QAF103 which is supplied by Dayton-Granger.

22. Controlled Unclassified Information (CUI) Compliance

Suppliers who product or provide service on CUI items require to be CUI compliant. The supplier is required to complete CUI Compliance survey periodically in order to maintain DG CUI Approval status.

23. GOVERNMENT

23.1. Government Source Inspections Government source inspection is required prior to shipment from the Supplier's plant. Upon receipt of the purchase order, the Supplier shall promptly notify the government representative who normally services the Supplier's plant so that appropriate planning for government inspection can be accomplished. If the government representative cannot be located, DG shall be notified immediately. Government inspection shall not constitute DG acceptance nor shall it relieve the Supplier of its responsibility to furnish conforming materials.

23.2. DPAS Whenever a DPAS rating appears in the Purchase Order, it means that it is a rated order certified for national defense, emergency preparedness, and energy program use, and the Supplier is required to follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR part 700). By acknowledging the PO, the Supplier is accepting the DPAS rating.

For more information: <https://www.dcma.mil/DPAS/>

23.3. FAR/DFARS For orders issued under prime contracts with the United States Government (the "Government") or subcontracts at any tier under U.S. Government contracts, in addition to the DG Terms and Conditions of Purchase and additional provisions printed by DG on the face of the Purchase Order, each of the following Federal Acquisition Regulations ("FAR") and Defense Federal Acquisition Regulations Supplement ("DFARS") clauses shall apply, as required by the terms of the clause or by operation of law or regulation. The effective version of each FAR/DFARS clause shall be the version in effect as of the date of this Purchase Order unless changed by DG. In the event of a conflict between a FAR/DFARS clause set forth in this Supplier Quality Requirements (SQR) and the Terms and Conditions of Purchase, the FAR/DFARS clause shall control.

The following FAR/DFARS clauses in effect as of the date of the prime contractor subcontract at any tier are incorporated herein by reference. In all clauses listed herein, terms shall be revised to suitably identify the Party to establish Supplier's obligations to DG and to the Government, and to enable DG to meet its obligations under its Government prime contract or subcontract at any tier.

Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "DG." The term "Contracting Officer" shall mean, "DG's Buyer Representative." The term "Contractor" or "Offeror" shall mean "Supplier." "Subcontractor" shall mean "Supplier's Subcontractor" under this order. The term "Contract" shall mean this "Purchase Order." For the avoidance of doubt, the words "Government" and "Contracting Officer" do not change when right, act, authorization or obligation can be granted

or performed only by the Government or the prime contract Contracting Officer or duly authorized representative.



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Supplier Quality Requirements
Rev G
11/25/2023

The listed FAR/DFARS clauses are incorporated in the Purchase Order as if set forth in full text, unless made inapplicable by their corresponding notes, if any. If any of the following FAR/DFARS clauses do not apply to this Purchase Order, such clauses are considered self-deleting.

23.3.1. FAR The complete regulation of each clause can be found in the following link:
<https://www.acquisition.gov/far/part-52>

FAR - Part 52 - Clauses
52.203-13 Contractor Code of Business Ethics and Conduct.
52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009.
52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements.
52.204-21 Basic Safeguarding of Covered Contractor Information Systems.
52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities.
52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.
52.204-27 Prohibition on a ByteDance Covered Application.
52.219-8 Utilization of Small Business Concerns.
52.222-21 Prohibition of Segregated Facilities.
52.222-26 Equal Opportunity.
52.222-35 Equal Opportunity for Veterans.
52.222-36 Equal Opportunity for Workers with Disabilities.
52.222-37 Employment Reports on Veterans.
52.222-40 Notification of Employee Rights Under the National Labor Relations Act.
52.222-41 Service Contract Labor Standards.
52.222-50 Combating Trafficking in Persons.
52.222-51 Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements.
52.222-53 Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements.
52.222-54 Employment Eligibility Verification.
52.222-55 Minimum Wages Under Executive Order 13658.
52.222-62 Paid Sick Leave Under Executive Order 13706.
52.224-3 Privacy Training.
52.225-26 Contractors Performing Private Security Functions Outside the United States.
52.232-40 Providing Accelerated Payments to Small Business Subcontractors.
52.243-1 Changes-Fixed-Price.
52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels.
52.249-2 Termination for Convenience of the Government (Fixed-Price).
52.249-8 Default (Fixed-Price Supply and Service).



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Supplier Quality Requirements
Rev G
11/25/2023

23.3.2. DFARS The complete regulation of each clause can be found in the following link:
<https://www.acquisition.gov/dfars/part-252-solicitation-provisions-and-contract-clauses>

DFARS - Part 252 - Clauses
252.203-7004 Display of Hotline Posters.
252.204-7004 Antiterrorism Awareness Training for Contractors.
252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information.
252.204-7010 Requirement for Contractor to Notify DoD if the Contractor’s Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol.
252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting.
252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors.
252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support.
252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services.
252.204-7020 NIST SP 800-171 DoD Assessment Requirements.
252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material.
252.211-7003 Item Unique Identification and Valuation.
252.215-7002 Cost Estimating System Requirements.
252.215-7008 Only One Offer.
252.215-7009 Proposal Adequacy Checklist.
252.215-7010 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data.
252.222-7000 Restrictions on Employment of Personnel.
252.223-7002 Safety Precautions for Ammunition and Explosives.
252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials.
252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives.
252.223-7008 Prohibition of Hexavalent Chromium.
252.225-7003 Report of Intended Performance Outside the United States and Canada—Submission with Offer.
252.225-7007 Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies.
252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals.
252.225-7013 Duty-Free Entry.
252.225-7016 Restriction on Acquisition of Ball and Roller Bearings.
252.225-7019 Restriction on Acquisition of Anchor and Mooring Chain.
252.225-7025 Restriction on Acquisition of Forgings.
252.225-7033 Waiver of United Kingdom Levies.



Excellence in Aerospace since 1943

Supplier Quality Requirements

Rev G

11/25/2023

252.225-7040 Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States.
252.225-7046 Exports by Approved Community Members in Response to the Solicitation.
252.225-7047 Exports by Approved Community Members in Performance of the Contract.
252.225-7048 Export-Controlled Items.
252.225-7052 Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten.
252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns.
252.227-7013 Rights in Technical Data—Noncommercial Items.
252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation.
252.227-7015 Technical Data—Commercial Items.
252.227-7016 Rights in Bid or Proposal Information.
252.227-7033 Rights in Shop Drawings.
252.227-7037 Validation of Restrictive Markings on Technical Data.
252.227-7038 Patent Rights—Ownership by the Contractor (Large Business).
252.228-7001 Ground and Flight Risk.
252.228-7005 Mishap Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles.
252.229-7004 Status of Contractor as a Direct Contractor (Spain).
252.229-7011 Reporting of Foreign Taxes – U.S. Assistance Programs.
252.229-7014 Taxes—Foreign Contracts in Afghanistan.
252.229-7015 Taxes—Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement).
252.232-7017 Accelerating Payments to Small Business Subcontractors—Prohibition on Fees and Consideration.
252.234-7002 Earned Value Management System.
252.235-7002 Animal Welfare.
252.235-7003 Frequency Authorization.
252.235-7004 Protection of Human Subjects.
252.236-7013 Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers.
252.237-7010 Prohibition on Interrogation of Detainees by Contractor Personnel.
252.237-7019 Training for Contractor Personnel Interacting with Detainees.
252.237-7023 Continuation of Essential Contractor Services.
252.239-7010 Cloud Computing Services.
252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services.
252.244-7000 Subcontracts for Commercial Items.
252.244-7001 Contractor Purchasing System Administration.
252.246-7003 Notification of Potential Safety Issues.
252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System.
252.246-7008 Sources of Electronic Parts.

252.247-7003 Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer.
252.247-7023 Transportation of Supplies by Sea.
252.249-7002 Notification of Anticipated Contract Termination or Reduction.

24. CYBERSECURITY and CYBER RISK MANAGEMENT

As technology becomes more prevalent throughout DG's supply chain, cybersecurity and cyber risk management are of paramount importance. Cybersecurity must be a priority for Suppliers and their supply chain (Sub-Suppliers) to support and complement DG's efforts to cyber security maturity.

24.1 Specific Requirements for Cybersecurity DG expects suppliers to have 5 basic cybersecurity elements in place. Suppliers must have:

1. **Security Plan.** A written, reviewable, and implemented cybersecurity and cyber risk management plan that is clear about how DG's (or any customer) data and resources are protected. Must keep this plan up-to-date and operating effectively. Suppliers should also be aware of and manage risks that stem from their suppliers (Sub-Suppliers).
2. **Evidence the plan is working.** A method to demonstrate that the plan is implemented and working effectively.
 - SOC Type 2 Report using an appropriate set of controls;
 - ISO 27001 certification using an appropriate set of controls;
 - PCI Report on Compliance;
 - FedRAMP Certification;
 - FISMA Certification;
 - 3rd party audit demonstrating effective cyber risk management; or
 - DG Cybersecurity Questionnaire and Assessment;
 - Some combination of the above
3. **Incident Response Plan.** A plan for notifying DG within 72 hours of the identification of an incident and then keeping DG informed as the incident is investigated. If an extensive investigation is required, suppliers must commit to helping DG during the investigation and response phases.
4. **Customer Notification Plan.** A plan for notifying DG within 72 hours when major changes occur or vulnerabilities are identified.
5. **Best Practices.** A commitment to avoid some of the most common supply chain mistakes. All of these should be in the supplier security plan. There are 8 best practices and 6 elements that must be present in any security plan. By themselves, these are not a security plan, but a list of some important items that must be present in the security plan and are required by DG's Information Security Policy.

IT-144 – Supplier Information Security Requirements Policy contains DG’s cybersecurity requirements and must be included in all agreements where the supplier has access to DG’s Information and/or IT Resources.

Suppliers should consider DG’s requirements reasonable and accept that DG, along with other customers, expect Suppliers to have a plan to manage cyber risk.

In addition, DG’s terms and conditions require appropriate cyber insurance ranging from \$1 to 10+ million based on the data, as well as other insurance requirements.

24.2 Basic Security Plan Elements Supplier’s Information Security Plan must:

1. Ensure the security (including but not limited to: confidentiality, integrity, and availability) of Information and IT Resources through the use and maintenance of appropriate administrative, technical, and physical controls;
2. Protect against any reasonably anticipated threats or hazards to Information and IT Resources (e.g., ransomware, loss or theft of equipment, nation state actors, insider risks, intellectual property theft, data theft, errors, etc.);
3. Related to 1 and 2, address the risks associated with Supplier storing, processing, transmitting, or having access to Information and IT Resources;
4. Comply with applicable regulations and/or external obligations for data protection, security, and privacy;
5. Clearly document the cybersecurity responsibilities of each party;
6. Follow DG records retention requirements outlined in the Statement of Work (SOW), DGSQR Supplier Quality Requirements or in DG’s Terms and Conditions.

24.3 A Few Supplier Best Practices The Supplier must make sure their security plans limit its access to, use of, and disclosure of Information and IT Resources to the least invasive degree necessary to provide the Products and/or Parts and/or Services by doing the following:


1. Prevent the sharing of passwords or authentication secrets that provide access to Information and/or IT Resources;
2. Prevent the use of passwords or other authentication secrets that are common across customers or multiple unrelated sites;
3. Prevent unauthorized access to Information and IT Resources;
4. Prevent unauthorized changes to IT Resources;

5. Prevent the reduction, removal, or turning off of any security control without express written approval from DG;
6. Prevent the creation of new Supplier accounts to access Information and IT Resources without express written approval from DG;
7. Prevent the storing, harvesting, or passing through of DG credentials (username, password, authentication secret, or other factor); and
8. Prevent the use or copying of Information for any purpose not authorized under the Agreement or any associated Statement of Work (SOW).

24.4 How DG Classifies Data and Information Systems DG uses 4-tier approach to classify data. Low, Moderate, High, High-Prohibited Risk classification. Every class requires technical and administrative controls to satisfactory protect DG’s Information and Information Systems.

<p>Low Risk</p>	<p>Information or Information system intended to be readily obtainable by the public. Data must maintain its integrity. Unauthorized modification is the primary concern and availability is the second concern. It is sufficient to apply minimum security requirements for IT Resources. For Low Risk Data, Suppliers must demonstrate good cyber hygiene across all basic controls.</p>
<p>Moderate Risk</p>	<p>Information or Information system that may not be specifically protected by statute, regulations, or other contractual obligations. This data is not intended for public use or access. Additionally, Moderate Risk includes information whose unauthorized use, access, disclosure, acquisition, modification, or loss could result in damage or small financial loss, or cause minor impact on the privacy of an individual or group. At this level, Suppliers must demonstrate good cyber strategies to defend against and recover from common threats.</p>
<p>High Risk and High-Prohibited Risk</p>	<p>Information or Information system whose unauthorized disclosure or modification could result in fines, penalties, or civil actions. Intellectual Property, Statutory, regulatory, and contract obligations are major drivers for these risk levels. A supplier handling these type of data might work with sensitive data types, (e.g., Personally Identifiable Information PII, Export Controlled Data, Controlled Unclassified Information CUI, etc.). At this level, Suppliers must demonstrate comprehensive cyber strategies to defend against and recover from all anticipated threats and meet external standards.</p>

Signatures:

Policy/Procedure Document Approved for Release:		I approve this policy/procedure document to be immediately released for use	
Name:	Hicham Benabess DG\hbenabess <i>Hicham Benabess</i>	Title:	Director of Operations
<hr/>		<hr/>	
Electronically Signed in		Timestamp	2023-12-04 16:57:16 (UTC+00:00)