



SQF 4.2.3.01B Revision Record, Rev. C

TITLE:	SQF 7.4.2.01A	Quality Form	REV. AA
ADDENDUM “A” STEICO INDUSTRIES INC. PURCHASE ORDER CLAUSES			
Prepared by:	<u>Marty Barhaghi</u>	Title: <u>Quality Engineer</u>	Date: <u>11/25/2024</u>
QA Approved by:	<u>Tim Schartz</u>	Title: <u>Director of Quality</u>	Date: <u>11/25/2024</u>
Approved by:	<u>Ricardo Aranda</u>	Title: <u>Manager of Purchasing</u>	Date: <u>11/25/2024</u>

Summary of Changes

Date	Rev.	Description	Approved by:	QA Approved by:
02/17/06	NC	STEICO Industries Inc. quality clauses ST1 – ST21 to be made available to subcontractors per SQP 7.4.2.01, para. 4.1.14	Revision Record Page not implemented at this time	
06/21/07	A-E	Revision Record Page not implemented at this time	Revision Record Page not implemented at this time	
11/09/09	F	Add STI22 STEICO Industries, Inc. maintains a Foreign Object Debris / Damage Prevention Program	11/09/09 DAN	11/09/09 EG
06/16/2010	G	Reinstated original description of STI 6 describing the AS9102 form as the acceptable standard form to be used by suppliers when First Article Inspection form is required.	06/16/2010 CC.	06/16/2010 EG.
03/21/11	H	Added Counterfeit parts prevention clause STI 23	03/21/11 CC	03/21/11 EG
07/26/11	I	Add Record Retention Requirements clause STI 24: Subcontractors performing work to a STEICO Industries Inc. purchase order	07/28/11 WS	07/28/11 EG
05/21/2012	J	Updated customer links to approved processors list under STI 4.	06/04/12 WS	06/06/12 EG
10/29/2014	K	STI 24 is updated from 7 to 10 years	11/07/2014 TGSs	11/06/2014 EG
03/09/2015	L	Changed STI 19, DFAR 252.225-7014 to DFAR 252.225-7009 to reflect change on DFAR website.	TGS 03/11/2015	EG 03/10/2015
02/23/2016	M	Revised STI-10, STI-20, STI-22 and STI-24 to include Boeing requirements.	TGS 02/24/2016	EG 02/24/2016
03/24/2016	N	Revised STI 11. For applicable Boeing product flow down of x31764 to sub-tiers. And added subsection 225.7003 to clause STI 19 for retrieval of additional information in regards to DFAR 252.225-7009.	TGS 4/15/2016	EG 4/15/2016
04/26/2016	O	Updated STI 4 with more defined verbiage when suppliers use sub-tiers. Added clarification to STI6 for when a FAIR is required. Added clarification to STI9 and STI14 for product validation source inspection required. Added STI 25 - ITAR/EAR Technical Data Controlled By ITAR and/or EAR.	C.R. 04/29/2016	TGS 05/03/2016



Summary of Changes (Continued)

08/31/2017	P	Updated STI 20 to include the following; STEICO Industries Inc. a subsidiary of SENIOR Operations requires that external providers adhere to highest standards of ethical behavior, and compliance with all applicable laws and regulations are key to protecting the reputation and long term success of our business relationship. In doing so, it seeks to take account of all of its stakeholders, including shareholders, employees, customers, suppliers, governments, regulatory bodies and the environment. External providers will ensure personnel are aware of their contribution to product safety and product/service conformity. On time delivery and quality performance will be monitored and measured by STEICO. (Reference SQP 7.4.1.01 Purchasing Supplier Control)	MS 09/05/2017	CR 09/05/2017
5/9/2018	Q	Updated STI 20 to cover the flow down of STEICO's commitment to the environmental management system to external providers and corrected one grammatical error.	MS 05/16/2018	EG 05/15/2018
09/18/2018	R	Changed "suppliers" and "vendors" to external providers throughout entire procedure. Updated STI23 to flow down examples and ensure external providers are in accordance with AS5553, AS6174 (incl. Appendix G & Table G1), AS9120 and AS9100 guidelines and STI24 to address disposition of records per NCR#2 of the ISA AS9100D surveillance.	MS 09/26/2018	RS 09/26/2018
5/20/2019	S	Clarified existing language and added environmental sustainability language in STI 20.	C.R. 05/29/2019	I.S. 05/28/2019
09/16/2019	T	Updated STI 4 to correct LM link and added time lapse requirement to STI 6. STI 11 to address standards called out per x31764. Added AS9146 to STI 22 and AS9162 to STI23.	M.F. 09/27/2019	C.R. 09/27/2019
10/07/2022	U	Add clause STI26: Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies due to DFARS flow down requirements.	R.A. 10/07/2022	T.J.S. 10/07/2022
1/16/2023	V	Add clause STI27: Restriction on the Delivery or Procurement of Supplies and Services from the Republic of Turkey	R.B.A. 01/16/2023	T.J.S. 01/16/2023
12/19/2023	W	Added clause STI28: Prohibition on Acquisition of Certain Iron and Steel from Russia	R.B.A. 12/20/2023	T.J.S. 12/19/2023
02/02/2024	X	Added clause STI29: FAR 52.204-27 Prohibition on a ByteDance Covered Application. (JUN 2023)	R.B.A. 02/02/2024	T.J.S. 02/02/2024
03/22/2024	Y	Updated STI 11, STI 20, STI 23 and STI 24 to clarify customer requirement.	R.B.A. 03/22/2024	T.J.S. 03/22/2024
09/16/2024	Z	Updated STI 26 and STI 29 by replacing the content with the link. Added links to the following clauses to include the current requirements: STI 30: DFARS 252.225-7058 – Post Award Disclosure of Employment of Individuals Who Work in the People's Republic of China. STI 31: DFARS 252.225-7060 – Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region. STI 32: FAR 52.204-30 – Federal Acquisition Supply Chain Security Act Orders—Prohibition.	R.B.A. 09/16/2024	T.J.S. 09/16/2024
11/25/2024	AA	Updated links to the STI 26, 30 and 31.	R.B.A. 11/25/2024	T.J.S. 11/25/2024



- STI 1.** Material, chemical, physical test reports and certifications required.
- STI 2.** Certificate of Conformance required.
- STI 3.** In-Process inspection required by STEICO Industries Inc. Quality Rep.
- STI 4.** All materials to be procured and special processes to be performed outside the external provider's facilities by sub-tiers require Steico Industries Inc.'s Customer approved sources.
- Reference**
- Boeing document D1-4426 at: <http://active.boeing.com/doingbiz/d14426/specindex.cfm>
- Lockheed Martin document QCS-001at: <https://sqm.lmaeronautics.com/QCS001View.aspx>
- STI 5.** Protective packaging and identification for shipment is required.
- STI 6.** First article inspection report required. External provider will complete and submit forms AS9102 First Article Inspection report with each first time run/shipment or lapse of production time of 2 years (partial FAI) as required by AS9102 for review and acceptance.
- STI 7.** Final inspection report required.
- STI 8.** All NDT certifications **MUST** have the stamp of the NDT Inspector who performed the inspection stamped on the certifications.
- STI 9.** Product validation by STEICO Industries Inc. Quality Representative required.
- STI 10.** Right Of Entry - Government and/or Customer representatives, may inspect and evaluate, external providers, which may include facilities, systems, data, equipment, personnel and all completed articles manufactured.
- STI 11.** Quality requirements imposed on this purchase order are SAE AS9100, ISO9000, MIL-I-45208A, AS9146, AS9162, & AS9138 as applicable based on product/service provided.
- For applicable Boeing product the following will apply:
- Seller shall comply with the requirements of Supplemental Quality Requirements, Q011S (BDS) or form x31764 Boeing (BCA/BGS) quality purchasing data requirements available at the following URL address. When entering URL - (please do so in lower case letters ONLY): <http://www.boeingsuppliers.com/>.
- Seller shall document a process for notifying Buyer of intended or actual changes.
- STI 12.** Process Approval-external provider has been approved for a specific process "only" and shall not deviate from purchase order instructions or quality requirements without notification to STEICO Industries Inc, Quality Representative.
- STI 13.** All set up material must be accounted for. Material must be clearly identified and returned to Steico Industries with the finished product.



- STI 14.** Product validation by STEICO Industries Inc.'s customer source inspection required prior to shipment.
- STI 15.** Delegation of Verification- External provider has been approved to perform inspection requirements on product prior to shipment based on history of ability to meet subcontracted requirements including the quality system and any specific quality requirements. Delegation of verification neither absolves the external provider of the responsibility to provide acceptable product, nor does it preclude subsequent rejection by STEICO Industries Inc.
- STI 16.** STEICO Industries external providers and sub-tiers using digital data for acceptance of parts and tooling delivered to STEICO Industries Inc. shall have documented procedures to ensure configuration identification and integrity of digital data.
- STI 17.** External Providers shall perform all work on the purchase order to the specification and current revision or issue, at time of purchase order acceptance unless otherwise specified by STEICO Industries Inc. on purchase order. If external provider cannot attain current revisions to specifications listed on purchase order external provider will notify STEICO Industries Inc. purchasing department prior to the acceptance or processing of the purchase order.
- STI 18.** All certifications, test reports or documentation received at STEICO Industries Inc. or copies thereof for services rendered shall be legible and of scanning quality. Delays in processing product at STEICO Industries Inc, due to illegible documentation may be cause for rejection of purchase order and hold of payment to external provider until legible documentation is received.
- STI 19.** Preference for Domestic Specialty Metals - External provider agrees not to use specialty metals melted outside the United States, its possessions or Puerto Rico. External provider also agrees not to use specialty metals from any other source that does not meet the requirements of the Defense Federal Acquisition Regulation Supplement (DFARS) clause 252-225-7009. Additional information can be found in subsection 225.872-1 and 225.7003 of (DFARS).
- STI 20.** STEICO Industries Inc. a subsidiary of SENIOR Operations requires that external providers adhere to the highest standards of ethical behavior and compliance, with all applicable laws and regulations which are key to protecting the reputation and long term success of our business relationship. In doing so, it seeks to take account of all of its stakeholders, including shareholders, employees, customers, suppliers, governments, regulatory bodies, and the environment. External providers will ensure their personnel are aware of their contributions to product safety, product/service conformity, environmental impacts, STEICO's Environmental, Health and Safety policy (Reference Doc. 8 Environmental, Health, & Safety Policy) and STEICO's environmental objectives and commitments.

All external providers are encouraged and expected to implement practices that contribute to sustainability within their own organizations, including but not limited to reduction of



STI 20. (Cont.) greenhouse gasses, reduction or elimination of waste streams through reuse and recycling as well as reduction of the carbon footprint their operations occupy.

STEICO Industries Inc. shall be notified of any nonconforming product or suspected nonconformity found in products already supplied, or not meeting purchase order requirements. Notification should be made within a 24-hour period or sooner once the nonconformity has been identified and shall be submitted to STEICO for disposition and approval. On time delivery and quality performance will be monitored and measured by STEICO. (Reference SQP 7.4.1.01 Purchasing Supplier Control)

STI 21. DMS 2201 Procurement from Foreign Sources Metallic Raw Materials-Foreign material sources qualified to furnish metallic raw materials to fabricators are listed in **DMS 2201 QPL**. Any domestic manufacturers of metallic raw materials are allowed to provide to domestic industry specifications provided that the material meets the requirements of the specification. Only those foreign sources listed in the **DMS 2201 QPL** are permitted to furnish metallic raw materials for the purpose of fabrication into Boeing-Long Beach Division designed parts or assemblies.

STI 22. STEICO Industries, Inc. maintains a Foreign Object Debris / Damage Prevention Program per AS9146. (Reference STEICO Procedure SQP 7.5.03). External providers shall ensure work is accomplished in a manner that delivers material clean and free from any foreign object debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil and other foreign material to prevent FOD entrapment, to maintain compliance with this program. STEICO Industries, Inc. shall have the right to perform inspections, verification and FOD Prevention Program audits at External provider's facility to measure effectiveness of program compliance to requirements.

STI 23. Counterfeit Parts Prevention: STEICO Industries Inc maintains a counterfeit parts prevention and control plan. For the purpose of this procedure, counterfeit parts are defined as a suspect part of material, performance, or characteristics are knowingly misrepresented by an external provider in the supply chain or that is a copy, imitation or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive or defraud. The external provider shall have a counterfeit prevention program in accordance with AS5553, AS6174 (incl. Appendix G & Table G1), AS9120, AS9162 and AS9100 guidelines. As applicable based on product/service provided.

Examples of counterfeit parts include, but are not limited to:

- Parts which do not contain the proper internal construction (die, manufacturer, wire bonding, etc.) consistent with the ordered part.
- Altered or unexplained labels, tags, markings, stampings, moldings, and engravings.
- Parts which have been used, refurbished, or reclaimed but represented as new product without being identified as refurbished material.



**STI 23.
(Cont.)**

- Parts which have not successfully completed the Original Component Manufacturer's (OCM)'s full production and test flow, but are represented as complete product.
 - Parts sold as upscreened parts, which have not successfully completed upscreening.
 - Parts sold with modified labeling, signs of re-painting or re-coating and markings intended to misrepresent the part's form, fit, function, or grade.
 - Other signs of re-used material such as oil stains, overheated areas, signs of disassembly and reassembly, erosion, wear, dents and scrapes, etc.
 - Parts which have been refurbished, upscreened, or uprated and have been identified as such, are not considered counterfeit.
- (a) External providers performing work under a STEICO Industries Inc. purchase order shall ensure that counterfeit work and/or parts are not delivered to STEICO Industries Inc.
- (b) External providers shall only purchase products to be delivered or incorporated as work to STEICO Industries Inc. directly from the Original Component Manufacturer (OCM) Original Equipment Manufacturer (OEM) or through an OCM/OEM authorized distributor chain. Work/parts shall not be acquired from independent distributors or brokers unless approved in advanced in writing by STEICO Industries Inc.
- (c) External provider shall immediately notify STEICO Industries Inc. with the pertinent facts if external provider becomes aware or suspects that it has furnished counterfeit work/parts. When requested by STEICO Industries Inc. external providers shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

STI 24. Record Retention Requirements:

External providers performing work to a STEICO Industries Inc. purchase order shall at a minimum retain all applicable records, certifications, test reports or quality documentation for a minimum of, the calendar year plus 10 years, from the date of each specific order/shipment, unless otherwise stated in the purchase order.

At the expiration of such period, Steico reserves the right to request delivery or destruction of such records. In the event Steico chooses to exercise this right, external provider shall promptly deliver such records to Steico at no additional cost on media agreed to by both parties.

If external provider's company has been sold, transferred, shut down, etc., any records of work performed for STEICO containing confidential information shall be either secured or discarded in a proper manner to prevent unauthorized access. If disposition requirements cannot be met, external providers must notify STEICO Industries Inc.'s Quality Assurance department for further instructions.



STI 25. ITAR/EAR Technical Data Controlled By ITAR and/or EAR:

This document contains technical information that may be controlled under the International Traffic in Arms Regulation or the U.S. Export Administration Regulations.

External provider will ensure when purchase orders identified with this clause (STI 25) that any technical data or materials related to defense articles on the U.S. Munitions List to which the external provider has access to or which is disclosed to external provider by STEICO Industries Inc., A Subsidiary of SENIOR Operations LLC is subject to export control under the International Traffic in Arms Regulations (Title 22, Code of Federal Regulations, Parts 120-130) and hereby certifies that such data or services will not be further disclosed, exported, or transferred in any manner to any foreign national or any foreign country without prior written approval of the Office of Defense Trade Controls, U.S. Department of State and in accordance with U.S. government security (National Industrial Security Program Operating Manual) and Customs Regulations. In addition, External provider will ensure when purchase orders identified with this clause (STI 25) that any technical data or materials related to defense articles on the EAR (600 series items) 15 CFR Part 774 to which the external provider has access to or which is disclosed to external provider by STEICO Industries Inc., A Subsidiary of SENIOR Operations LLC is subject to export control under the Export Administration Regulations and the Commerce Control List, and hereby certifies that such data or services will not be further disclosed, exported, or transferred in any manner to any foreign national or any foreign country without prior written approval of the Bureau of Industry and Security, U.S. Department of Commerce.

STI 26. DFAR 252.225-7007 – Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies

https://www.acquisition.gov/dfars/part-252-solicitation-provisions-and-contract-clauses#DFARS_252.225-7007

STI 27. Restriction on the Delivery or Procurement of Supplies and Services from the Republic of Turkey (“Contractor” means SELLER, “Contracting Officer” means LOCKHEED MARTIN Procurement Representative):

(a) Definitions.

- (1) “Component” means any item supplied to the Government or Lockheed Martin as part of an end product including, without limitation, raw materials and intermediate assemblies.
- (2) “Covered article” means any end item, component, software, or service that-
 - (i) Is produced in Turkey or by a covered entity; or
 - (ii) Is a service provided in Turkey or by a covered entity.
- (3) “Covered entity” means an entity that is effectively owned or controlled by the Turkish government.
- (4) “Effectively owned or controlled” means that the Turkish government or any entity controlled by the Turkish government has the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of



**STI 27.
(Cont.)**

the entity's officers or a majority of the entity's board of directors by any means, e.g., ownership, contract, or operation of the law (or equivalent power for unincorporated organizations).

- (5) "Entity controlled by the Turkish government" means
 - (i) Any domestic or foreign organization or corporation that is known to be effectively owned or controlled by the Turkish government; or
 - (ii) Any individual directly and openly, or known to the Contractor to be acting on behalf of the Turkish government.
- (6) "Purchase Order" means a mutually binding agreement between the Contractor and a subcontractor indicating types, definite quantities, and prices for products or services the subcontractor will provide to the Contractor.

(b) Restrictions.

- (1) The Contractor shall not enter into any Purchase Orders with its subcontractors after the date of this Contract (or amendment incorporating this term into this Contract) that would result in the delivery of covered articles under this contract nor charge to this contract, either directly or indirectly, the costs of any covered article placed on a Purchase Order.

(c) Reporting requirement.

- (1) In the event the Contractor identifies a covered article provided to the Government or Lockheed Martin during contract performance that was placed on a Purchase Order after 31 March 2020 or the Contractor is notified of such by a subcontractor at any tier or any other source, the Contractor shall report, in writing, to the Contracting Officer the following information:
 - (i) Within 10 business days from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; brand; model number (Original Equipment Manufacturer (OEM) number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.
 - (ii) Within 20 business days of submitting the report pursuant to paragraph (c)(1) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of a covered article, any reasons that led to the use or submission of the covered article, and any additional efforts that will be incorporated to prevent future use or submission of covered articles.
- (d) The Parties agree that no consideration shall be provided by the Contractor to the Government or Lockheed Martin, or penalties imposed upon the Contractor for unknowingly being non-compliant to paragraph (b)(1) above.
- (e) **Subcontracts.** The Contractor shall insert the substance of this clause, including this paragraph (e), in all existing and new subcontracts, including subcontracts for the acquisition of commercial items.



STI 28. Prohibition on Acquisition of Certain Iron and Steel from Russia: The European Union (EU) issued regulations addressing the conflict between Russia and Ukraine. Now, amongst others, restrictions addressing certain iron and steel products are being tightened with added responsibility.

In this regard, the existing regulations per (EU) 833/2014, Art. 3g(1)(d), prohibiting:

1. Direct or indirect imports of such products originated in or exported from Russia
2. Direct or indirect purchases of such products, if located or originated in Russia, as well as
3. Transport of such products, if they originated in Russia or were exported from Russia

Now, these have been amended per EU 2023/1214 by additionally prohibiting:

4. Direct or indirect imports or purchases of such products, when processed in a third country, incorporating iron and steel products originating in Russia.

Consequently, when shipping to any EU customer or vendor (if doing a return), to be able to clear EU Customs for any iron or steel products being imported matching the detailed list in Attachment XVII of the EU 2023/1214, your site as the shipper must provide evidence to the importer of the evidence of the country of origin for the incorporated iron and steel products.

Enclosed, you will find the following resources:

- FAQ questions which include examples of applicability
- Annex XVII to Regulation EU No. 833/2014
- CSFP 2023/1217- <https://eur-lex.europa.eu/eli/dec/2023/1217>
- CSFP 833/2014 (original requirement after Russia invaded Crimea for reference):
<https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0833>
- CSFP 2023/1214-
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R1214>

STI 29. FAR 52.204-27 – Prohibition on a ByteDance Covered Application

<https://www.acquisition.gov/far/52.204-27>

STI 30. DFAR 252.225-7058 – Postaward Disclosure of Employment of Individuals Who Work in the People’s Republic of China

https://www.acquisition.gov/dfars/part-252-solicitation-provisions-and-contract-clauses#DFARS_252.225-7058



STI 31. DFAR 252.225-7060 – Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region

https://www.acquisition.gov/dfars/part-252-solicitation-provisions-and-contract-clauses#DFARS_252.225-7060

STI 32. FAR 52.204-30 – Federal Acquisition Supply Chain Security Act Orders—Prohibition Except for Section (C) (1)

<https://www.acquisition.gov/far/52.204-30>