

CODE G: CLAUSES 1, 2A, 3B, 4A, 4E, 5A, 5B, 5C, 5D, 6D, 6E, 6F, 6G, & 7 APPLY WHEN CODE G IS SPECIFIED ON P.O.

QUALITY REQUIREMENTS FOR SUPPLIERS
STAR-GLO INDUSTRIES, INC.,
SGI Form 277 Rev. B Dated 91 May 03, Approved: JHM

REFERENCE SHOULD BE MADE TO THE PURCHASE ORDER OR REQUEST FOR QUOTE, WHICH INCORPORATES THIS QUALITY REQUIREMENT, TO DETERMINE WHICH OF THE NUMBERED CLAUSES LISTED BELOW ARE APPLICABLE. IF NOT SPECIFIED IN THE PURCHASE ORDER OR REQUEST FOR QUOTATION, USE CODE G TO THIS DOCUMENT TO DETERMINE THE APPLICABLE CLAUSES.

1. GENERAL NOTICE TO SUPPLIERS

This document establishes Star-Glo's quality and requirements relative to procurement. It is designed to inform suppliers, to assure that supplies and services provided conform to Engineering, Quality, Reliability and other contractual requirements. The requirements set forth herein are minimum requirements and will in no way relieve suppliers of their obligation to deliver products in accordance with Purchase Order requirements.

Any reference made in documents mentioned herein to "The Government" shall also mean "Star-Glo". Reference to "Contract" or "Subcontract" shall mean the Purchase Order issued to Supplier.

In the event of discrepancies between requirements herein and detail specifications or drawings, the detail specifications or drawings shall govern. Should discrepancies be noted, they are to be documented and the Star-Glo Buyer notified at once.

The Supplier shall maintain and thoroughly be familiar with the Buyer's specifications and drawings. The Supplier shall understand and agree to the completeness of the aforementioned documents, or he shall require the Star-Glo Buyer to clarify or furnish additional information prior to proceeding with the Contract.

It will be the Supplier's responsibility to obtain applicable Government/Industry documents of the revision in effect on the date of contract, unless otherwise specified.

The Supplier's responsibility is to immediately notify Star-Glo of any change in his name, address or point of manufacture. Failure by the Supplier to notify Star-Glo will result in the Supplier's name being removed from the Approved Supplier List.

Workmanship must be of a consistently high level or quality commensurate with the existing state-of-the-art and in conformance with applicable specifications referenced on the engineering drawings or specified in the contract.

Shipment of Non-Conforming Material is prohibited unless Supplier receives prior written approval from Star-Glo.

Final acceptance of Non-Conforming Material by Star-Glo may depend on Government Approval and may require Financial Considerations.

4. STAR-GLO AND/OR CUSTOMER VERIFICATION AT SUPPLIER'S FACILITY

4A. Star-Glo and/or Customer reserves the right to conduct audits and inspections at the Supplier's facility to evaluate compliance with this Purchase Order and applicable requirements.

4B. Star-Glo's Quality Representative will perform verification at Supplier's plant prior to shipment. Star-Glo reserves the right to perform in-process verification as applicable.

4C. Star-Glo and/or Customer in-process verification at the Supplier's facility is required to verify materials, dimensions and/or welding or brazing prior to processing and/or finishing.

4D. Star-Glo and/or Customer final acceptance test verification (test witness) at Supplier's plant is required prior to shipment.

4E. Periodic Star-Glo/Customer audits/reviews of Supplier's Quality System will be conducted to evaluate adequacy of compliance to subcontract quality requirements.

5. CERTIFICATION

5A. Certifications shall be signed by a responsible member of the Supplier's management staff. Each certification shall, as a minimum, identify the a) Supplier's Name and Address, b) the Date the Certification is issued, c) Star-Glo Purchase Order Number, d) the Part Number, e) Lot/Serial Number (if applicable), f) the governing Specification, g) the Quantity shipped and h) the Cure Date (if applicable). MATERIAL RECEIVED WITHOUT CERTIFICATION WILL BE REJECTED AND RETURNED AT SUPPLIER'S EXPENSE.

5B. A Certification of Conformance (3 copies) is required from the Supplier, with each shipment, stating that the shipment of articles, materials and/or finished parts conform to the specified Purchase Order requirements and applicable material and/or process specifications, and the applicable records are on file subject to examination for a minimum of 3 years. (B)

5C. The Supplier shall certify that all materials, processes, and finished items supplied under this Purchase Order were inspected, tested, and found to comply with the requirements of this Purchase Order. Inspection and test data shall be maintained for a minimum of 3 years and are subject to Star-Glo's examination. Certification documentation shall accompany each shipment. (A)

5D. The Supplier shall include the material type, condition, lot or batch number, specification, manufacturer, date of manufacture, shelf life expiration date (if applicable) and size (if applicable) on all raw material certifications.

5E. The Supplier shall furnish Chemical and/or Physical Analysis Test Reports with Actual Test Data, verifying specification conformance, for each lot or batch of materials shipped under this Purchase Order. Reports in triplicate shall be attached to the packing sheet with each shipment at no increase in cost of material represented by lot, neat, etc. Performance of this Purchase Order will not be complete unless all test reports have been received.

6. CONTROLS

6A. Supplier shall implement a system of Statistical Process Control corresponding to Customer and/or Star-Glo guidelines and approval. Control Charts depicting conformance of selected characteristics to drawings/specification requirements shall be provided with each shipment.

6B. Supplier shall conduct and submit a First Article Inspection and Report, from the first part out of the initial lot, which shall include all dimensional, functional and nondestructive test results required by applicable specifications.

6C. Supplier shall submit a First Article Sample (in a quantity indicated by Star-Glo) from the Supplier's initial lot, to Star-Glo, for verification and acceptance by Star-Glo and/or by the Customer Procuring Agency, PRIOR to fabrication of additional deliverable items. Star-Glo shall notify the Supplier of the location (at source or destination) of this inspection. Purchase or acquisition of materials in excess of the amount needed for the First Article Sample, prior to approval of the First Article, shall be solely at the Supplier's risk unless otherwise notified by Star-Glo in writing in advance of said purchase.

6D. Product Protection shall comply with all specified handling, preservation, packaging and shipping requirements. Product protection practices shall ensure that original quality is maintained. Commercial practices shall not be considered to relieve the Supplier of the responsibility to assure delivery of material in acceptable condition.

6E. All Goods supplied on this Purchase Order shall be adequately Packaged and Packed, in accordance with sound commercial practices, to preclude any damage being incurred during shipping or storage at Star-Glo's plant, and to obtain the lowest transportation rates, unless otherwise specified in the Purchase Order.

6F. Suppliers shall obtain approval from Star-Glo prior to any material, dimensional, tolerance, design, tooling or processing change that may affect function, interchangeability or reliability. This required approval shall apply to both Star-Glo/Customer design and Supplier proprietary products. Such a change may require requalification of the product/process and/or submission of a new First Article Sample. The requalification or resubmission shall be done by the Supplier with no additional cost to Star-Glo.

6G. In case any Goods, Parts, or Materials are defective in material or workmanship or otherwise not in strict conformance with this Purchase Order, Star-Glo shall have the right either to reject it, require its correction, or accept it with an equitable adjustment in price. Any Goods, Parts, or Materials which have been rejected or required to be corrected, may be returned to and shall be replaced or corrected by and at the expense of the Supplier, including transportation costs, promptly after notice.

2. SUPPLIER'S QUALITY/INSPECTION SYSTEM REQUIREMENTS

2A. The Supplier's system shall provide adequate control of Quality throughout the entire process of Procurement and Manufacturing from the selection of qualified sources and receiving of materials to packaging and shipment of end product. The system shall assure that all products and services submitted to Star-Glo for acceptance conform to Purchase Order requirements, whether manufactured or processed by the Supplier or procured from sub-tier sources.

The system shall be documented, including inspection and calibration traceable to National Bureau of Standards, and be available for review by Star-Glo Quality Representatives and/or Government Quality Assurance Representatives prior to the initiation of production and throughout the term of the Purchase Order. Star-Glo shall be notified in writing of any changes in the system, and reserves the right to disapprove such changes if their adoption could adversely affect the quality of products or services to be furnished.

Acceptance of Supplier products, by Star-Glo, does not relieve the Supplier of the responsibility for delivery of products that conform to all requirements of the Purchase Order.

2B. The Supplier's Inspection Program shall be in accordance with Specification MIL-I-45208A, "Inspection System Requirements".

2C. The Supplier's Quality Program shall be in accordance with Specification MIL-Q-9858A, "Quality Program Requirements".

2D. The Supplier shall control the Calibration of all measuring and testing devices against certified standards traceable to the National Bureau of Standards. The Calibration Program shall conform to Specification MIL-STD-45662A, "Calibration System Requirements".

2E. The Suppliers Quality Program shall be in accordance with General Dynamics Electric Boat Division Specification 2678G and shall be passed on to sub-tier suppliers. (A)

3. GOVERNMENT INSPECTION

3A. Government Source Inspection is required prior to shipment from Supplier's plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government Inspection can be accomplished.

3B. During performance on this Purchase Order, your Quality Control or Inspection System and Manufacturing Processes are subject to review, verification and analysis by authorized Government and/or Star-Glo Representatives. Government Inspection or Release of product prior to shipment is NOT required unless you are otherwise notified.

7.

MERCURY CONTAMINATION

NOTICE TO SUPPLIER

The Conditions of Purchase forming a part of this order stipulate that materials furnished under this order shall be free from contamination by presence of mercury. The requirements stated below form a part of this order.

BACKGROUND

Mercury is corrosive to gold, silver, nickel, stainless steels, aluminum, and copper alloys. Accidental trapping of mercury in a component could cause serious damage to vital parts. Mercury is also toxic if inhaled, ingested or absorbed through the skin. It is evident that grave consequences could result from small amounts of mercury vapor present in an unreplenished atmosphere.

REQUIREMENTS

A. Material furnished under this Purchase Order shall not contain functional mercury in any form without the specific written approval of Star-Glo.

B. Mercury-bearing instruments and/or equipment which might cause contamination shall not be used in the manufacture, fabrication, assembly or testing of any material furnished under this Purchase Order. The most probable causes of contamination are direct connected mercury manometers, mercury vacuum pumps, mercury seals, mercury-in-glass thermometers, or handling of mercury in the immediate vicinity. In case of doubt or question of manufacturing procedures, you may call Star-Glo Industries, Inc. for assistance.

C. In the event of an accident involving mercury contamination of the material being furnished on this Purchase Order or suspicion of such contamination, Star-Glo Industries, Inc. shall be notified immediately.

D. Your subcontractors must be notified of, and must comply with, the requirements of this notice.