



PURCHASING QUALITY ASSURANCE REQUIREMENTS (PQAR)

All items that are not grayed-out are considered essential to the fulfillment of this purchase order. Supplier must read, understand and comply with all items listed below. All general clauses are required.

PURCHASING GROUP 11: Consulting Service Providers

GENERAL CLAUSES TO SUPPLIERS

(These clauses apply to all purchase orders issued by Bugeye Technologies):

GENERAL CLAUSES TO SUPPLIERS (these clauses apply to all purchase orders issued by Bugeye Technologies):

1. This attachment established Bugeye Technologies (BT), the Buyer's, quality and reliability requirements, as specified in the text of the Purchase Order relative to the procurement. It is designed to inform suppliers of their responsibilities in assuring that suppliers and services conform to Engineering Quality, Reliability and other contractual requirements.
2. In the event of discrepancies between requirements and detail specifications or drawings, the detail specifications or drawings shall govern. Should discrepancies be noted, they are to be documented and the buyer notified at once.
3. The supplier shall maintain and be thoroughly familiar with the buyer's specifications and drawings. The supplier shall understand and agree to the completeness of such documents, otherwise the supplier shall require the buyer to clarify or furnish additional information prior to proceeding with execution of the contract.
4. The supplier is responsible for conformance of all items procured from every tier of their suppliers and shall assure that the requirements of this document and applicable drawings and specifications are incumbent upon procurement's sources. Suppliers are responsible for the selection and control of lower tier supplier of all products, processes or services used in the execution of all purchase orders. Documented evidence as to control of sub-tier suppliers shall be maintained.
5. The supplier is responsible for identifying and notifying Bugeye Technologies of any nonconforming processes, products or services from the suppliers or supplier's subcontractors. Identification of the non-conformance shall be promptly communicated to Bugeye Technologies, including processes, products and services already shipped to Bugeye Technologies. The seller is only allowed to ship the identified non-conforming processes, products or services if disposition is approved by Bugeye Technologies.
6. BT reserves the right of access by the organization, their customer and regulatory authorities to all facilities involved in the order and to all applicable records.
7. **Conflict Materials** - Bugeye Technologies is committed to compliance with Section 1502 of the U.S. Wall Street Reform and Consumer Protection Act. To satisfy customer requirements and the goals of the Act, Bugeye and its suppliers will strive to provide only conflict free products through responsible and appropriate sourcing activities. Bugeye's approved suppliers, both public and private, are required to conduct due diligence on the presence of Conflict Minerals in their supply chain and provide accurate reporting and certifications on the presence of Conflict





Minerals in products provided to Bugeye. Suppliers unwilling to implement procedures which assure only conflict free products are supplied to Bugeye may be ineligible for Bugeye approved supplier status.

8. Work under this Purchase Order is subject to Bugeye Technologies surveillance audit at Supplier's location. Bugeye's Customers and Regulatory Authorities shall have right of access to all facilities involved in the purchase order and to all applicable records. Bugeye Technologies Quality Assurance Representative may elect to conduct Inspection on a surveillance basis, or perform 100% Inspection. Suppliers will be notified by Bugeye Technologies if Inspection or surveillance is to be performed on specific shipments. No shipments are to be held for inspection unless notification is received in writing prior to the scheduled ship date. The frequency of audits will be in direct correlation to the quality of product delivered.

9. **Specific Export Requirements:** When Seller provides end items in support of contract requirements, the following Export flow downs apply:

- a. In performing the obligations of this Agreement, both Parties will comply with all United States export control and sanctions laws, regulations, and orders, as they may be amended from time to time, applicable to the export and re-export of goods, software, technology, or technical data ("Items") or services, which include but are not limited The Export Administration Regulations ("EAR") administered by the US Department of Commerce, International Traffic in Arms Regulations ("ITAR") administered by the US Department of State, The Foreign Corrupt Practices Act ("FCPA"), administered by The Department of Justice and the SEC, and all regulations and orders administered by the Treasury Department's Office of Foreign Assets Control, (collectively, "Export Control Regulations and Laws").
- b. The Party exporting any "Items" listed above shall be responsible for obtaining any required Export License or authorization for such export from the appropriate governmental agency. The Party conducting the re-export to a sub-tier supplier or 3rd party shall be responsible for obtaining any required Export License or authorization from the appropriate governmental agency prior to re-export. Each Party shall cooperate in a reasonable manner to support the other in its efforts in obtaining any necessary licenses or authorizations required to perform its obligations under this Agreement.
- c. The Party providing any "Item" under this Agreement to a supplier, sub-tier supplier or 3rd party, shall, upon request from said supplier, sub-tier supplier or 3rd party, provide the Item's Export Control Classification Number ("ECCN") and Harmonized Tariff Code (HTS), as well as the ECCN and HTS of any components or parts thereof if they are different from the numbers of the Item at issue.
- d. Each Party represents that (i) the "Items", and any parts or components thereof, that it is providing under this Agreement are not "defense articles" as defined in 22 C.F.R. sub section 120.6 of the ITAR and (ii) the services it is providing under this Agreement are not "defense services" as defined in 22 C.F.R. sub section 120.9 of the ITAR. The Parties acknowledge that this representation means that an official capable of binding the Party providing such Items knows or has otherwise determined that such Items, parts and/or components thereof, are not listed on the ITAR's Munitions List at 22 C.F.R. sub section 121.1. Each Party agrees to reasonably cooperate with the other in providing, upon request of the other Party, documentation or other information that supports or confirms this representation.
- e. To the extent that such "Items", parts and/or components thereof, were specifically designed or modified for a military end use or end user, the Party providing such Items shall notify the other Party of this fact and shall also provide the other Party with written confirmation from the United States Department of State that such Items, and all such parts or components thereof, are not subject to the jurisdiction of the ITAR as they are not listed on the US Munitions List.

10. ITAR Requirements: Any documents that include items or technology covered by the Munitions List are subject to the International Traffic In Arms Regulations (ITAR), 22 CFR 120-130. Accordingly, all suppliers are prohibited from exporting technical data to a foreign person without authorization from the U.S. State Department. It is the





responsibility of the recipient of this purchase order to ensure their compliance with all applicable U.S. export regulations. Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration Act, 50 U.S.C. app. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the authority of an export license, agreement, or applicable exception. Seller must comply with ITAR, part 122.1 Registration requirements (a), Any person who engages in the United States in the business of either manufacturing or exporting defense articles or defense services is required to register with the Office of Defense Trade Controls. Manufacturers who do not engage in exporting must nonetheless register.

11. **PART MARK:**

When a part mark specification or direction is provided by the drawings, specifications or Purchase Order, the following shall be applied below those part mark requirements.

- a. The manufacturing date
- b. The Supplier's name or cage code traceable to the Supplier
- c. The number used by the Supplier to provide traceability of their quality records (e.g., Serial Number, Lot Number, Control Number, Work Order/Traveler Number)
- d. Non-conformance document number (when applicable)

11.1 When a part mark specification or direction is not provided by the drawings, specifications or Purchase Order, the part mark shall be applied in accordance with MIL-STD-130 or equivalent, which shall include the following:

- a. The part number specified on the Purchase Order
- b. The manufacturing date
- c. The Supplier's name or cage code traceable to the supplier
- d. The number used by the Supplier to provide traceability of their quality records (e.g., Serial Number, Lot Number, Control Number, Work Order Number)
- e. Non-conformance document number (when applicable)

11.2 Traceable items for which size and/or application that do not allow for part number and serial number identification shall be individually packaged and identified by an appropriate label.

12. **ETHICAL STANDARDS:** Suppliers are responsible for ensuring that their employees, service providers and subcontractors are aware of their contribution to product safety, conformity, and the importance of ethical behavior.

13. **COMPETENCE:** Supplier shall provide evidence of competency for any required qualification of persons and processes to perform tasks that require approval or are considered a special process (i.e. chemical processing, heat treat, calibration, etc.).

14. **CALIBRATION AND TEST EQUIPMENT:** The supplier system of calibration service and test equipment repair shall be certified to ISO/IEC 17025 or other applicable certifications and are traceable to NIST standards.

15. **FLOW DOWN OF CUSTOMER REQUIREMENTS:** Supplier shall flow down all customer requirements to employees and subcontractors. The flow down of customer requirements shall be flowed down to all levels of sub-tier products and services.

