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Process Type: Template

Suppliers Requirements Manual - EOIS

TPL-1700

Revision: 3

NOTE

The only controlled version of this document is located on the Integrated Business Management System SharePoint site. Printed versions may be outdated and superseded by a revision to this process document.

CHANGE HISTORY

Revision	Revision Date	Effective Date	Description	Initiator
1	6/29/2023	6/29/2023	Initial Release	M Grasse
2	4/8/2024	4/8/2024	Updated Scope, Counterfeit mitigation approval, OTD requirements/definition, added optics requirements in Section 10.2. Made other minor clarifications throughout document.	M Grasse
3	05/01/2025	05/01/2025	Updated 84-TPL-01-01 to TPL-1700. Moved “EOIS” as suffix to document title. Added new requirement to section 10.1. Added section 10.3. Revised section 12 to include EOIS TX Changed Process Owner to Supplier Quality instead of Quality Assurance.	P.Lambeth M. Grasse

LEONARDO DRS

NIS Electro-Optical & Infrared Systems

Supplier Requirements Manual

Contents

LIST OF APPENDENCES

1 Company Overview

Leonardo DRS, headquartered in Arlington, Virginia, U.S.A., is a leading supplier of integrated products, services and support to military forces, intelligence agencies and prime contractors worldwide. Focused on defense technology, the Company develops, manufactures and supports a broad range of systems for mission critical and military sustainment requirements, as well as homeland security.

For more than 50 years, Leonardo DRS has evolved from a small company, known for its pioneering work in anti-submarine warfare to a leading supplier of defense products and services.

The story of Leonardo DRS reflects a history of innovation and growth. In 1981, the company became publicly held and in 1984, completed its first acquisition. To date, Leonardo DRS has completed more than 20 acquisitions. Through this method of growth and through an aggressive program of internal product development and new business initiatives, Leonardo DRS has become a leading technology innovator and supplier of integrated products, services and support to military forces, intelligence agencies and defense contractors worldwide. The company specializes in naval and maritime systems, ground combat mission command and network computing, global satellite communications and network infrastructure, avionics systems, and intelligence and security solutions. Additionally, the company builds power systems and electro-optical/infrared systems for a wide range of commercial customers.

Parent company Leonardo acquired Leonardo DRS (then called DRS Technologies) in October 2008. Headquartered in Rome, Italy, Leonardo is a global leader in the aerospace, defense and security sectors, and a leading player in developing and manufacturing airplanes, helicopters, and defense electronic systems. Both companies have a similar commitment to strengthening its expertise and expanding its reach in the global aerospace, defense and security sectors.

Leonardo DRS continues to broaden its global reach through Leonardo and give its U.S. customers additional products and capabilities available through other Leonardo companies.

As Leonardo DRS turns a new chapter in its almost 50-year history, the expertise, pride and commitment to the customer remains unchanged. Through Leonardo's wide global footprint, Leonardo DRS showcases its strengths and capabilities internationally, and continues to be a bigger and better company with Leonardo's commitment and investment in technology and innovation.

2 Our Commitment

Environmental, Social and Governance

At Leonardo DRS, we are proud of the products, systems, and solutions we provide to our customers.

We are passionate about corporate social responsibility and protecting the environment. As a company, we give back to the military, their families, our employees, our local communities, and the environment.

We are committed to upholding our core values **of Integrity, Customer Focus, Operational Excellence, Innovation, and Diversity & Inclusion.**

We believe that in order to succeed as a company, we must be a strong and positive contributor to the communities where we do business.

We believe our employees can thrive and grow in an inclusive environment, with a culture of high ethical standards, and a safe and healthy workplace.

3 Scope

This manual is for DRS NIS Electro-Optical & Infrared Systems (EOIS) only and applies to all purchase orders issued. Any references below for DRS are for the EOIS division only. This manual is applicable to all suppliers doing business with DRS NIS EOIS

4 Conflict Minerals

At Leonardo DRS Inc. (DRS), we recognize the responsibility to support our customers' efforts to comply with the conflict minerals rules promulgated under Section 15-2 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which require public companies to annually disclose information to the U.S. Securities and Exchange Commission (the "SEC Rule") about their use of certain minerals originating from the "Conflict Region." (See note 1 below).

DRS does not directly purchase any Conflict Minerals from any source and does not knowingly procure any product containing Conflict Minerals from the Conflict Region. To the extent that DRS' value-added offering may include products that contain Conflict Minerals, DRS is committed to working with its supply chain in order to identify ways to increase transparency regarding the origin and traceability of minerals contained in any products.

DRS requires its suppliers to adopt similar policies and practices with respect to Conflict Minerals and to drive those efforts throughout their supply chain to ensure that such metals are being sourced only from (1) mines and smelters outside the Conflict Region, or (2) mines and smelters within the Conflict Region which have been certified by an independent third party as "conflict free."

Note 1 "Conflict Region" includes the Democratic Republic of the Congo, Angola, Burundi, the Central African Republic, The Republic of Congo, Uganda, Rwanda, South Sudan, Tanzania and Zambia.

"Conflict Minerals" include columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten) and any derivative of such minerals.

5 Code of Ethics and Business Conduct

June, 2020

Dear Leonardo DRS Colleagues,

A steadfast commitment to integrity is at the core of our culture at Leonardo DRS. We must each ensure that all of our decisions and actions adhere to this important value so that we retain the trust of our customers, business partners and one another.

The Leonardo DRS Code of Ethics & Business Conduct (the "Code") is a resource to help us navigate our way through ethical situations we may encounter. It establishes our expectations for appropriate business conduct in a variety of scenarios. The Code applies to all Leonardo DRS employees, regardless of position, location or level of responsibility.

Earning a reputation for integrity means more than simply observing the letter of the law; it means doing what is right even when facing situations not clearly governed by a specific law, policy or regulation. Integrity is also doing the right thing when no one else is looking.

If you are confronted with an ethically ambiguous or unclear situation, it is important to seek advice from supervisors, managers, our legal department or other appropriate personnel.

Please read the Code and follow both the "spirit and the letter" of the important principles set forth therein. Acting with integrity must remain a way of life here at Leonardo DRS. Our customers expect nothing less.

Sincerely,

William J. Lynn, III
Chief Executive Officer
Leonardo DRS

Our core standards are set forth in the Leonardo DRS Code of Business Ethics and Conduct (“Code”) as well as various policies that reaffirm the importance of these standards. The Code and supporting policies should be viewed as the true expression of the Company’s philosophy and intent.

At Leonardo DRS, this philosophy starts at the top with our Board of Directors and Chief Executive Officer and permeates every level of the Leonardo DRS organization. We also expect our suppliers, vendors, contractors, and joint-venture partners to develop ethics and compliance programs consistent with our values.

We reinforce our ethics program with annual training, resources, and tools such as the Ethics Helpline, available 24 hours a day, seven days a week. The helpline is a confidential resource to report concerns, and investigate and resolve all matters promptly, discreetly, and professionally. We strictly prohibit retaliation against anyone who raises an ethics or compliance issue in good faith.

- Download the Code of Business Ethics & Conduct (PDF)
- Visit the Ethics HelpLine Website

Our hard-earned reputation for the highest standards of business conduct is of the greatest importance to Leonardo DRS and its employees and vigilant compliance with these standards assures the continuance of Leonardo DRS's reputation for integrity and fair dealing.

Please note, if you are having trouble opening the links above, they are available on our website under the “Supplier” section.

6 Supplier Approval Process

The supplier approval process starts with an assessment of the supplier's capability, performed by Quality Engineering, to provide a quality product to DRS. This assessment will consider such elements as the supplier's advertised capabilities, the suppliers' past procurement history with DRS, the supplier's reputation and/or influence within industry, etc. Once the assessment is completed, a supplier survey appropriate to the supplier's assessed capabilities is planned. This survey is an examination of business and operating system capabilities.

This process does not apply to authorized distributors and Original Equipment Manufacturers. (OEM's).

The process begins with a self -survey and may result in an On-site survey.

Self-Survey

- Supplier evaluates quality system, completes survey form
- Returns survey form to DRS
- DRS reviews survey
- Supplier completes corrective action plan and follow-up, when required.

On-Site Survey

- DRS evaluates supplier's quality system
- DRS completes survey
- Scores and reviews survey with the supplier
- Supplier completes corrective action plan and follow-up, when required.

All suppliers must have a Unique Entity ID issued by SAM.gov prior to engaging in business with DRS. Additionally, all suppliers must complete a Supplier Representations and Certifications survey. This will cover topics such as small business certs, affirmative action, etc. This survey must be completed annually.

6.1 Cyber Security

If you are or wish to become a Leonardo DRS supplier supporting DoD programs and you are not exclusively providing COTS items or services not requiring the receipt of Controlled Technical Information (CTI), your organization must:

A. Be compliant with the "DFARS Cyber Clause" 252.204-7012 since January 1st, 2018
B. Submit a Basic Assessment of your NIST SP 800-171 implementation since November 30th, 2020, into the DoD Supplier Performance Risk System (SPRS) per the "Interim Rule", and the assessment must be updated at least every three years
C. Update your Leonardo DRS CERTS and REPS that includes your attestations for A and B since (date of notification)

If your organization has not completed A, B and C, you may lose the ability to:

- Receive technical program information from Leonardo DRS
- Compete for new Leonardo DRS subcontracts

6.2 Cyber Security Interim Rule

As of November 30th, 2020, the DoD has implemented three new DFARS clauses (DFARS 252.204-7019,7020,7021) that enact an assessment methodology and initiate the Cybersecurity Maturity Model Certification requirement (CMMC). This was done via an interim rule published in September of 2020 titled "Assessing Contractor Implementation of Cybersecurity Requirements".

The Interim Rule establishes that Basic, Medium and High Assessments are an enforceable way of holding DoD contractors accountable to DFARS 252.204-7012 until the CMMC is fully implemented in October of 2025. Meaning 252.204-7019 and 7020 can apply now whereas 252.204-7021 (CMMC) is being rolled out gradually.

For more information on cyber security, visit the DRS website and/or read the applicable DFARs clauses referenced.

https://www.leonardodrs.com/suppliers/cyber-security-requirements/

https://www.acquisition.gov/

6.3 Part Qualification Process

Qualification of a part refers to specific part numbers. Qualification may not be required or desired on every part supplied to DRS. Suppliers will be notified through DRS purchasing which parts qualify for inclusion in this program.

The qualification process may be tailored for each supplier / part combination, but will usually consist of the following supplier actions:

A. Suppliers Control Plan (when required)
   - Created by the supplier for each part to be qualified.
   - Approved by DRS before production begins.
   - Must contain key dimensions or critical to quality dimensions, test parameters, and frequency of checks.

B. First Article Inspection (when required)
   - 100% verification of all drawing and order requirements.

Qualification is a joint effort between the supplier and DRS. Additional details on the specific requirements and benefits of this program are available from the applicable DRS buyer.

6.4 Control of Sub-tier suppliers

Suppliers to DRS are expected to qualify and maintain control of their suppliers. Suppliers to DRS are responsible for the quality of materials provided by their sub-tier suppliers. Some of the controls expected but not limited to the following:

- Flow down of DRS requirements to sub-tier suppliers
- Flow down of 1st Article Requirements
- Part Qualification when applicable by purchase order
- Flow down of appropriate Technical Data Packages
- DRS Right of Access
- Corrective and Preventive Actions
- Control of Nonconforming Material

In some cases, DRS may specify the sub-tier suppliers to be used. Suppliers may not deviate without written permission from DRS.

In all cases, once a sub-tier supplier is selected and used for products delivered to DRS, the supplier may not change sub-tier suppliers without written consent from DRS. Change of sub-tier suppliers may result in requalification of the product and shall be documented on a Delta First Article Inspection Report.

7 Supplier Performance Review

7.1 Supplier Surveillance

The purpose of surveillance is to assure that our suppliers maintain their quality capabilities over time.

Surveillance may take the form of periodic follow-up surveys, actual product inspections or audits. The frequency of surveys and inspections depends upon the supplier's performance.

DRS shall reserve the right to visit our supplier's facilities to inspect products, witness inspections or tests and to evaluate their quality system, which may also extend to the supplier's source of supply.

DRS shall also reserve the right to maintain continuous source inspection and or quality audit at the supplier's facilities.

7.2 Supplier Scorecards

Key suppliers will be sent reports cards quarterly outlining the supplier's performance for previous quarter. The report card will focus on the two primary elements, OTD and Quality.

- OTD is defined as 10 days early, 0 days late and is measured to the original contact date by quantity received.
- Quality is defined as rejected assemblies measured against total assemblies received.

Scorecards with ratings below the goals, as defined on the supplier scorecard, will require the supplier to document actions taken to address the deficient score(s). Continued scores below goal will be escalated to DRS management for review and further actions to be defined.

7.3 Supplier Business Reviews

For key suppliers, business reviews will be held periodically. These reviews are designed to be interactive allowing the supplier and DRS to present data critical to a successful business relationship. Some of the topics to be included are:

- Quality Ratings, including top detractors and actions taken
- OTD ratings
- Inventory
- Accounts payable/receivable
- Business forecasts
- Technology roadmaps

8 The Purchase Order

The DRS purchase order is the single most important document that suppliers should familiarize themselves with. It is in fact the contract to which all work must be manufactured or performed to. Failure to provide documentation or to meet any Quality Assurance Conditions (QAC) shall be reason for rejection at DRS causing unnecessary delays of use of the material and payment to the supplier.

The purchase order will contain, or make reference to, additional documentation, which specify standard requirements for the order. These attachments may include the following (request copies of all purchase order attachments from the applicable DRS buyer):

Standard Terms and Conditions. This is a general description of each item as applied to the DRS purchase order.

- Applicable conditions for orders under US Government contract apply to this order. This is a general description of each item as applied to the DRS purchase order when doing US Government contracts.

- Quality Assurance Conditions (QAC). Quality Assurance conditions are called out on the DRS purchase order by numerical notation which corresponds to the requirement. Each condition must be met when fulfilling the order. Again, failure to do so will result in the material being rejected causing delays in payment to the supplier. QAC's will be discussed in greater detail in later section of this manual.

- Certifications and/or Value Engineering Incentive. This describes special conditions that may be applicable to purchase orders exceeding established dollar amounts.

- EEO Compliance. Federal law requires DRS to take certain actions with regard to affirmative action compliance when purchase orders exceed established dollar amounts.

DRS Terms and Conditions, FAR's, DFAR's and Common Supplier Quality clauses are located here: https://www.leonardodrs.com/suppliers/documents/

Unless otherwise specified, the revision of all standards referenced shall be the latest revision. Examples include J-STD-001, IPC-610, Mil Specs, etc.

9 DPAS Ratings

In many cases, DRS purchase orders will contain a DPAS Rating making it a DoD rated order. Rated orders are placed in support of a national defense program. Each rated order will contain the rating and a contract number. Any person or company who places or receives a rated order should be thoroughly familiar with and shall comply with the provisions of 15 CFR 700.

15 CFR 700 is available here:
https://www.ecfr.gov/current/title-15/part-700

There are two levels of priority ratings:

- DX - Highest national defense urgency
  - All DX rated orders have equal priority and take preference over DO and unrated orders (based on ship schedule)
  - DX ratings require the supplier to provide a written acknowledgement of the order within 10 business days.
- DO - Critical to national defense
  - All DO rated orders have equal priority and take preference over unrated orders (based on ship schedule)
  - DO ratings require the supplier to provide a written acknowledgement of the order within 15 business days.

DRS PO's that are rated will contain the following statement:

This is a rated order certified for national defense, emergency preparedness, and energy program use, and the Contractor shall follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700).

The purchase order will also list the rating and a contract number. DPAS rating shall be flowed down to sub-tier suppliers.

Training for DPAS ratings is available on the Defense Contract Management Agency (DCMA) website here:

https://www.dcma.mil/Portals/31/Documents/DPAS/DPAS_Contractors_REV7.pdf

10 Common Supplier Quality Clauses

Quality Conditions (QC) are called out on the DRS purchase order by numerical notation which corresponds to the requirement. Each condition must be met when fulfilling the order. Failure to do so will result in the material being rejected causing delays in payment to the supplier.

The common supplier quality clauses are located in the supplier section on the DRS website.

https://www.leonardodrs.com/suppliers/documents/

This link also directs you to the general purchase order terms and conditions, Federal Acquisition Regulations (FARs) and DoD FAR Supplemental provisions.

All suppliers shall thoroughly review all requirements outlined on the purchase order and contact DRS immediately if you do not understand or cannot comply with a requirement.

NOTE: Some of the common reasons for rejected material at DRS is:

- Failure to supply a Certificate of Compliance when called out on the DRS purchase order. C of C's must reference the assembly, revision, and serial numbers if applicable. If serial numbers are required on the DRS drawing, they are required to be added to the C of C.
- Failure to comply with AS9102 First Article requirements. A training aid has been put together to aid suppliers in understanding DRS FAIR requirements. Please ask DRS purchasing or supplier quality for a copy of this presentation. Reference your DRS purchase order QC clause defining specific First Article requirements.
- RMAs returned to DRS missing the QC330 required paperwork. Refer to Appendix A for example of required paperwork

Another common failure point for suppliers is notification of changes or changes made after a First Article has been submitted. Please reference the applicable QAC codes on the purchase order for more details on these requirements.

10.1 Additional Requirements for Circuit Card Assembly (CCA) Manufactures

- A unique profile shall be created for all mass or automated soldering operations (convection soldering, selective soldering wave soldering, hot air rework, etc.). The program or profile shall be verified using a calibrated thermal tracker, or similar. Any change in equipment will require reverification of the profile/program. Revision control is required for all programs/profiles. The supplier should develop a process for program/profile creation, verification, and release of approved programs. IPC-7530, "Guidelines for Temperature Profiling for Mass Soldering Process (Reflow and Wave)", may be used as guidance. The profile used for each assembly built shall be traceable to the profiles used.

- X-ray – At a minimum, all bottom terminated components on an assembly shall be inspected using X-ray. Unless directed by the drawing, this inspection may be conducted on a sample basis. This sample rate must be supported by MIL-STD-0105 or ANSI/ASQ Z1.4 using C=0 methodology.

- Use of flux bottles with no clean flux shall not be used. Application of no clean flux shall be made with flux pens.

10.2 Additional Requirements for Optics Suppliers

- **Coating First Article Inspection / Coating Process Approval**
  - Unless otherwise specified, the sample for coating first article and coating approval tests shall consist of coated components, plus coated witness sample (WS). The WS and components shall be coated in the same manner using the same materials, equipment, processes, and procedures as used in regular production. The WS and components shell be positioned in the coating chamber such that they represent the optical and durability characteristics of the whole evaporated lot. DRS reserves the right to test the actual coated components with witness pieces to all the tests specified in TDP. Should component fail, even though the representative WS pass the test, the lot shell be rejected. Number of WS and coated components shall be specified according to TDP requirements during PO approval.
  - Witness samples from First Article/Qualification Lot: (1) ones for transmission and reflection that are not exposed to ESS (“virgin”), and (2) another that are exposed to all ESS requirements, shall be included with the FA inspection documentation in the FA shipment.
  - Optical coating scan shall be completed on a sample made of the same substrate material and with the same incident angle as it is required per the engineering drawing for the part. The highest resolution scale shall be used, with the scale identified and legible. One copy of the optical coating scan for each coating run, before and after WS exposed to ESS and physical durability tests, is required to be included with the shipment. The scan shall reference contract number, part number with revision level, and lot coating run control number.
  - All parts and materials including packing shall be obtained from the same source of supply as used in regular production.

- **Coating Production Lot**
  - Optical coating witness sample (WS) of corresponding material type shall be processed along with each production coating run. The WS shall be identified and traceable to each coating run. The WS must be produced and available for each coating run, not each deliverable lot. If multiple lots are shipped under the same coating run, the shipping documentation, or the certificate of compliance, shall be traceable to the original coating run. All other witness samples for production lots shall be retained by the supplier and provided to DRS upon request. One copy of the optical coating scan for each coating run is required to be included with the shipment. The scan shall reference contract number, part number with revision level and lot coating run number.

10.3 Additional Requirements for suppliers with custom tooling

- All custom tooling with limited tool life used to build products for DRS EOIS must have a control plan specific to the tooling which details tool life and controls in place to ensure tooling does not exceed tool life. Control plans must contain preventive maintenance schedule and actions. Control plan must be submitted to DRS for approval. DRS must be notified at least 6 months prior to tool expiration. Tool life may be extended if reworked or justified through analysis and must include DRS approval.
- Tools that make multiple parts in a single operation must have cavity ID markings.

11 Supplier Transfer Site

In order to securely transfer files between DRS and the suppliers, DRS utilizes a secure transfer site, https://transfer.drs.com/. In order to get access to this site, the supplier must coordinate with the appropriate DRS buyer. The supplier will need to provide the following information:

Company Contact
Name:
Email:
Country of Citizenship
Is your company ITAR compliant?
Is your company DFAR compliant?

The registration is a two-part process. You will receive two emails regarding registration. The first email is to register your account and the second email is to complete the 2-factor authentication process. These emails will be sent from noreply@drs.com.

The supplier will need to complete these steps for each individual requesting access to the transfer site.

For more information on registering and using the site, request a copy of "File Transfer Process Steps (For Supplier)" training aid.

12 Supplier Action Information Request (SAIR)

All purchased materials to be used in the manufacturing of deliverable product are required to conform to the requirements of the purchase order and technical data package. Any requests to make material or process changes from released documentation must be reviewed and authorized by DRS. The authorization must be documented and traceable to the impacted material. The supplier shall not work to verbal authorizations of changes or to emailed directions without written consent from your supplier quality representative. These requests can be documented via the supplier portal or through a manual form. Reference example of SAIR in appendix C.

Adherence to this process ensures that all required stakeholders review, approve, and take necessary actions to resolve and document supplier requests within a timely manner. Supplier requests are limited to a specific lot, quantity, timeframe, or purchase order unless followed by a formal change to the technical data package.

Once a supplier receives an approved SAIR, it should be documented on all documents that accompany a shipment.

Reasons for SAIRs:

- Obsolete or alternate part replacements
- Recommended improvements
- Clarifications on drawings, Bills of Material, Purchase Order flow downs
- Nonconforming issues/Repair request
- Suspect Counterfeit materials

- Use of components from an unauthorized distributor
- Request change of facility or process, or sub-tier changes

These requests should not be processed as SAIRs:

- To request Source Inspection
- To request a change to contract terms and conditions
- To request change to contract schedule, quantity, or value

Expectations:

SAIRs typically take 2-4 weeks for review and response. If you, the supplier, are line down and the response is needed so there is no impact to delivery, please let the DRS buyer know so they can expedite a response.

The more information you can provide on a SAIR, the easier for the respected departments to review and approve.

For more information on submittal of SAIRs and the supplier portal, request a copy of "DRS Supplier Request Portal – Supplier Guide" from your appropriate purchasing contact at DRS.

13 Order of Precedence

In the event of any inconsistency or conflict between or among the provisions of the purchase order, such inconsistency or conflict shall be resolved by following the descending order of precedence, which can be found online in the DRS General PO Terms and Conditions. This file can be found here:

https://www.leonardodrs.com/suppliers/documents/

14 Supplier Corrective Action Request (SCARs)

DRS may issue corrective action requests to a supplier when nonconforming materials are found at incoming inspection, production, test or in use at a customer. Corrective action request may also be issued for business processes or audits. DRS does use various forms for documenting these responses.

14.1 Supplier Requirements when receiving a SCAR:

- Supplier is expected to take containment actions with 24 hours of receipt of a complaint. Supplier is expected to review all work in finished goods, work in progress (WIP) and recent shipments.
- The containment plan must clearly define all actions at the supplier's facility to assure that no additional nonconforming material ships to DRS.
- If suspect product has already shipped, the supplier shall assist DRS with identifying suspect date/lot codes and associated serial numbers with the shipments involved.
- Containment shall also address how the current nonconformance will be corrected/fixed.
- Supplier is expected to use a root cause analysis tool to aid in determining the root cause of the occurrence and how the defect escaped the supplier's facility. Such tools are the 5-why method, fishbone/Ishikawa method, Cause and Effect, etc. DRS expects suppliers to go further than just stating "operator error."
- Supplier shall submit the corrective action plan that addresses steps taken to eliminate future occurrences of the nonconformance.
- Supplier shall also review similar type products/processes and address these at the same time.
- Supplier is expected to answer the SCAR with root cause/corrective action by the date requested on the SCAR. Supplier shall keep DRS informed of the progress towards completion of the SCAR and implementing corrective actions. Additional time may be granted, if necessary, but this must be requested.
- Supplier may indicate how verification of effectiveness will be validated. DRS will also verify effectiveness prior to closing the SCAR.

5-Why

8D

DMAIC

Fishbone

15 Counterfeit Mitigation

DRS complies with AS5553, AS6081 and AS6174 for counterfeit mitigation. Our suppliers are only authorized to procure parts from approved DRS sources such as Original Equipment Manufacturers (OEMs), Original Component Manufacturers (OCMs), Aftermarket Manufacturers, or from the OCM or the OEM (Franchised) Distributors for whom they are authorized.

When materials are purchased from distribution, those sources shall maintain counterfeit controls in compliance with SAE-AS6081.

Purchasing by DRS or DRS suppliers from independent or broker distributors is not authorized unless approved in writing by DRS Technologies (ref. QC-102).

Independent or broker distributed material shall pass testing to SAE AS6081 and AS6171. Refer to table below for minimum testing requirements. Additional or custom testing requirements will be defined by DRS specific to the material and risk. Testing must be performed by an ISO/IEC 17025 accredited lab. Reducing the sample size or tailoring of the test plan must be approved in writing by DRS.

Minimum Required Tests		
Test/Inspection	Lot Size 200 or Greater	Lot Size 1-199 (See Note 1)
Documentation and Packaging Inspection		
Documentation and Packaging Inspection (non-destructive)	All devices	All devices
External Visual Inspection		
a. General (non-destructive)	All devices	All devices
b. Detailed (non-destructive)	122 Devices	122 or all devices, whichever is less
Remarking & Resurfacing (destructive)	(See Note 2)	(See Note 2)
Solvent Test for Remarking	3 devices	3 devices
Solvent Test for Resurfacing	3 devices	3 devices
Radiological (X-ray) Inspection		
X-ray inspection (non-destructive)	45 devices	45 devices or all devices, whichever is less
Lead Finish Evaluation	(See Note 3)	(See Note 3)
XRF (non-destructive)	3 devices	3 devices
Delid/Decapsulation Internal Analysis (destructive)	(See Note 4)	(See Note 4)
Delid/Decapsulation Internal Analysis (destructive)	3 devices	3 devices

Note 1: For very small lot sizes, less than ten (10) devices, this destruct test sample may be reduced to one (1) device with DRS approval.

Note 2: Devices for the Remarking and Resurfacing Inspection shall be selected from the Detailed External Visual Inspection Lot.

Note 3: Devices with possible lead finish anomalies shall be selected from the Detailed External Visual Inspection Lot.

Note 4: Devices for the Delid/Decapsulation Internal Analysis shall be selected from the Remarking & Resurfacing Inspection Lot.

DRS will assess and monitor potential sources of supply to determine the risk of receiving counterfeit parts from independent distributors. Assessment may include surveys, audits, review of product alerts through GIDEP and/or ERAI, and past performance.

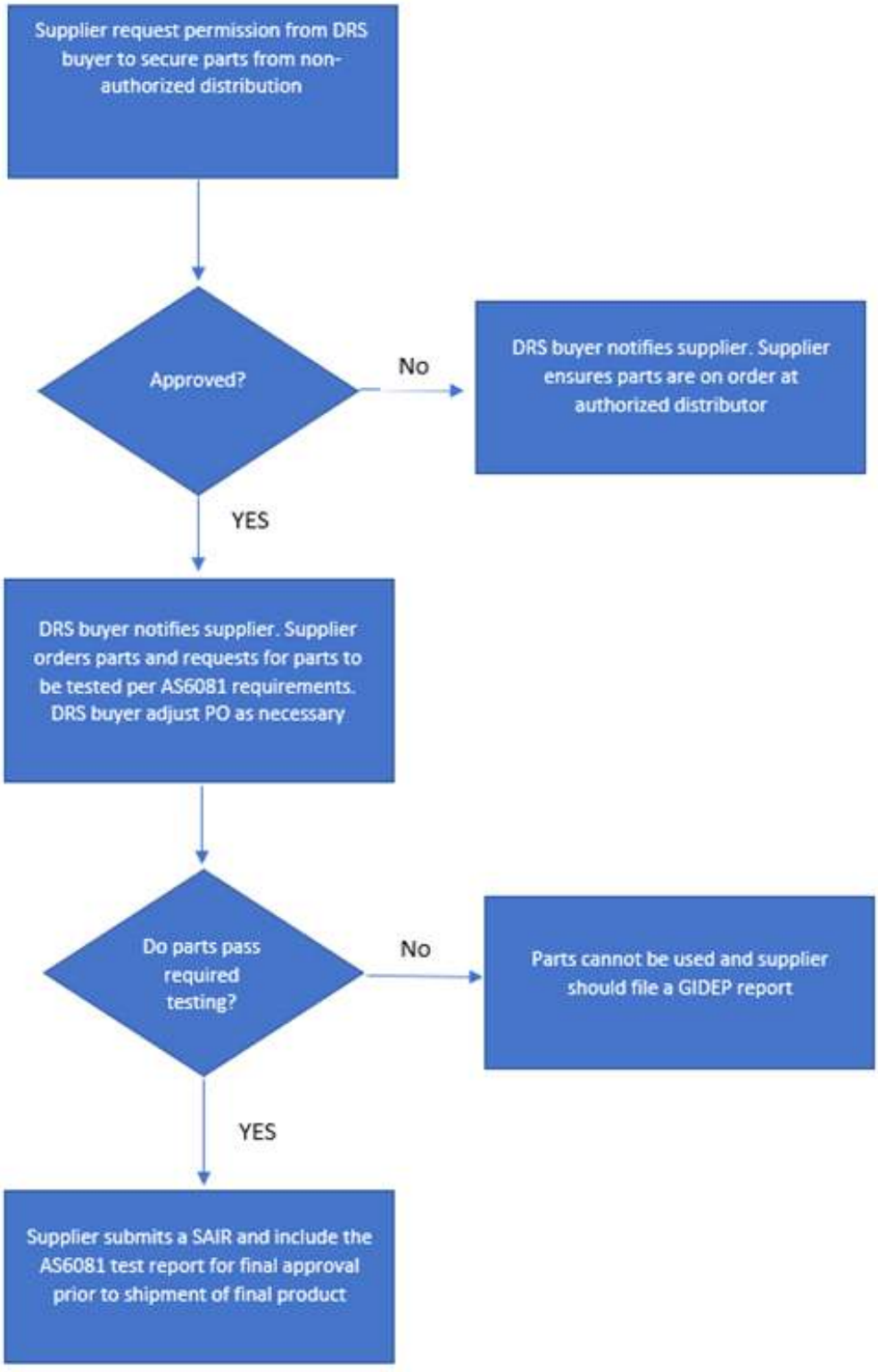
Flow down of counterfeit prevention requirements to DRS suppliers and their sub-tiers (ref. QC-102) is required. In the event that one or more supply chain intermediaries do not have a counterfeit part control plan equivalent to SAE AS5553, a risk assessment shall be required for every application of the part.

The PO Quality Assurance Conditions shall specify contract quality requirements to minimize the risk of being provided counterfeit parts (ref. QC-102). Note, for material, parts, assemblies, and other procured items that are not electronic and electronics engineering material (EEE), testing and validation per SAE AS6174 is required (ref QC 360).

Any occurrences of counterfeit components shall be reported to DRS, GIDEP, ERAI, and criminal investigative authorities as applicable.

Supplier shall follow process outlined on next page for each use of independent distributors/brokers. Please note, approval to use once does not constitute approval for additional purchase orders.

15.1 Independent Distributor / Broker Approval Process



16 DRS Supplier Quality Assurance

16.1 Receiving Inspection

DRS maintains a receiving inspection system for supplier material. Inspection criteria are based on the specification and/or applicable drawing. The results are used in part to establish the supplier rating.

Supplier material is inspected using a C=0 (acceptance only if zero defects are found) sampling plan. After a series of acceptable lots, DRS quality engineering may take the steps to place specific materials on skip lot/sampling plan or may be placed on ship to stock status and bypass receiving inspection.

16.2 Ship to Stock

Ship to Stock, also known as Dock-to-stock, is a program that allows supplier material to bypass receiving inspection and move directly to stock or point of use after an acceptable part history has been established. The specific criteria and part selection for ship to stock will be coordinated with the DRS Supplier Quality Engineer.

Once on ship to stock, a periodic audit may be performed. Any rejections found will remove the part from ship to stock status.

16.3 Source Inspection

In some cases, it may not be practical to determine conformance to DRS requirements upon arrival at the dock. DRS may require source inspection at the supplier facility. DRS purchasing will notify the supplier that source inspection will be required. No product will be allowed to ship without source inspection unless agreement is reached between the supplier and DRS Quality through purchasing.

The supplier’s inspection and test equipment shall be made available for use at the supplier’s facility by authorized DRS personnel to determine conformance to specified requirements when required.

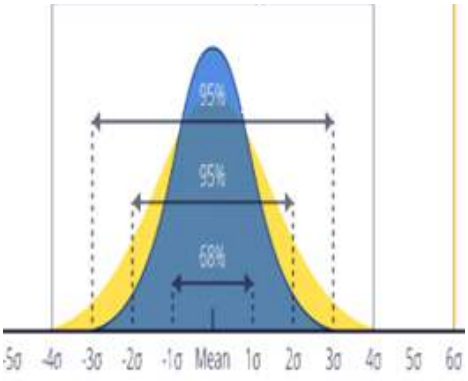
16.4 CTQ's <Q>

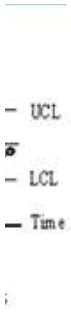
On some DRS EOIS drawings, items that are "Critical to Quality" or CTQ's are defined. One of the current methods of marking these is the use of the symbol <Q>. There may be other methods used on older documentation. CTQ's are characteristics/parameters that must be controlled and measured to ensure customer expectations are met.

When required by Quality Code (QAC) flow down QC378, CTQ's must be measured, and the data presented to DRS upon every shipment. This method of communication will be defined prior to shipment of the 1st article. When this requirement is not defined by QAC's, the CTQ's should still be a part of the suppliers control plans and validated prior to every shipment.

On key CTQ's where Statistical Process Control (SPC), has or will be applied, the supplier shall complete a process capability study for each key characteristic. The process must be in statistical control; the study must demonstrate Cpk of 1.33 or greater for production capability. If process capability is not demonstrated for key characteristics, these features shall be 100% inspected. Once capability is demonstrated, the feature can be reduced to a valid sampling plan.

The purpose of the process validation is to "baseline" the supplier's fabrication, assembly, inspection, and test processes, SPC implementation plan, and inspection/test points. Once validated, the process is considered "Frozen", and DRS must approve any changes to the tooling, equipment, or work instructions prior to implementation.





Appendix A - QC330 Example

RMA Rework/Repair Report

Date:

Assembly:

RMA #:

Serial Numbers: (N/A if not applicable)

Failure Description:

Rework/Repair Performed:

Appendix B – Certificate of Compliance Example

CERTIFICATE OF COMPLIANCE

Item	Description	P/N	Qty.	Specifications
1				
2				
3				
4				
5				

This is to certify that the above articles and/or services shipped against your purchase order # _____ have been inspected and are in conformance with said purchase order and all applicable requirements, specifications and drawings. All calibrated equipment is traceable to a nationally recognized calibration standard, such as ISO/IEC 17025 and ANSI/NCSL Z540.3.

- ❑ Inspection Data Enclosed
- ❑ Test Reports Enclosed
- ❑ Inspection Data on file and available for examination.
- ❑ Test Reports are on file and available for examination.

Signed: _____
Title: _____
Date: _____

Appendix C – SAIR Example

LEONARDO DRS Supplier Action / Information Request

Supplier Name	Date Originated	Buyer Name

Part Name	Part Number	Drawing Number / Revision

Purchase Order Number / Item	Quantity Affected	(Supplier use)

Define the issue / problem; specify drawing zones, condition, cause, corrective action, expected result, schedule impact, or any other information needed to assess this request.

☐ (Continuation Sheets Attached)

Requestor Name	Phone # / FAX #	E-mail Address

Received By	Received Date

Assigned To	Reference Number

Response:

☐ (Continuation Sheets Attached)

Action Needed (check as applicable and describe within your response):

None Clarification Only	Purchase Order Change	Drawing/Requirement Change	Process Discrepant Material	Other (See response)
☐	☐	☐	☐	☐

Response By	Response Date