

Seller Quality Requirements Standard Terms & Conditions

Appendix TC2

Notice: Copies of this document other than what resides on the Buyer's Internet Home Page is not controlled and may not be the most current version.

- A. Seller shall provide and maintain a quality system acceptable to the Buyer and Buyer's customers for the supplies and services covered by this purchase order.
- B. Seller shall provide Buyer and Buyer's customers' access to any and all areas, including those of subcontracted suppliers where work is being or is scheduled to be performed under this purchase order.
- C. Seller disposition of Buyer design non-conforming items are limited to scrapping of the material, elimination of the nonconformance by rework to engineering, or return to supplier. For items of Buyer design, Seller shall submit nonconforming material reports to Buyer for disposition. Electronic medium for processing requests for Buyer material review board (MRB) dispositions are available on Buyer's Internet Supplier page, <http://www.etitechinc.com/suppliers.html>, under Supplier Forms. Seller shall not incorporate any non-conformance into any product, process, procedure or data unless and until Seller has obtained written approval from Buyer. Seller's continued processing of Buyer designed material containing a non-conformance prior to Buyer's MRB disposition is a Seller's risk. Buyer and Buyer's customers shall have the right to refuse to accept any non-conformances. When Government Source Inspection (GSI) or Customer Source Inspection (CSI) is a requirement of this purchase order, Seller shall submit material review dispositions to Seller's local Government representative for concurrence.
- D. Seller shall implement, and maintain a system that provides for identification, documentation, segregation and disposition of nonconforming material and shall assure effective and positive corrective action is taken to prevent, minimize or eliminate non-conformances.
- E. Seller's purchase orders to sub-tier suppliers shall clearly reflect and define all processing and nondestructive testing requirements including special procedures, inspections, tests and approval criteria as required by this purchase order. Seller shall assure appropriate specifications and other directives are available and used by Seller's sub-tier suppliers. Seller shall require sub-tier suppliers likewise to incorporate documents and requirements in purchase orders to their subcontractors.

- F. Buyer and its Customers shall have the right to perform in-process inspection, audits, and system surveillance at Seller's and Seller's sub-tier supplier's facilities as part of the verification of conformance to the requirements of this purchase order. Buyer shall have the right to utilize sample inspection methods for acceptance of product. If the sample is unacceptable, Buyer shall have the right to return all or part of the lot for credit or replacement.
- G. Seller shall prepare a Certificate of Conformance (COC) with each shipment. This COC shall certify that all items provided under this purchase order. All additional requirements including special processes, materials, finishes and certified inspection requirements must be certified independently of the PO and the documents referenced. ALL certifications shall be included with the Seller's shipper to Buyer with the part delivery
- H. If Buyer Source Inspection is required, Seller shall comply with the following:
1. Seller shall present with each shipment, for review by Buyer's representative or customer, the final inspection and test results, as applicable certifications, and the COC.
 2. Seller shall obtain evidence of Buyer representative's acceptance. If GSI is specified on this purchase order, Seller shall obtain evidence of Government acceptance prior to shipment.
 3. When modifications, repairs, or replacements occur after Seller's final inspection or test, Seller shall perform re-inspection and test of affected characteristics prior to presentation for Buyer acceptance.
- I. Seller shall maintain complete records of all manufacturing methods, inspection and test reports. Records shall be made available to Buyer and Buyer's customers during the performance of this purchase order and at least seven (7) years after completion of the purchase order and for such longer periods, if any, as may be specified elsewhere in this purchase order. Upon request by Buyer, records shall be forward to Buyer at no additional cost within 30 days of request.
- J. Upon return of nonconforming material by Buyer, Seller shall assess the identified nonconformance, complete the Discrepant Material Report ("DMR") form and forward to Buyer within 10 working days of receipt of material. Instructions for completing and submitting the DMR form are available on request to the Buyer's Quality Department.
- K. Seller warrants that they will comply with all purchase order and terms and conditions buyer quality and regulatory requirements including Congo free Minerals, DFARS and establishing a counterfeit parts avoidance program