
SUPPLIER QUALITY CLAUSES

PURPOSE This document is managed by the Supplier Quality and Quality Assurance groups and establishes requirements applicable to items ordered under the Purchase Order, of which this is a part, to clearly define for each purchase of products or services, all of the necessary and applicable technical and quality requirements with which the **Supplier and any sub-tiers** must comply to meet the requirements of P.T. Products & Services Inc., its customers and/or regulatory authorities, to assure contract flow down, quality, and reliability. The General Requirements for product assurance, including continual improvement, are applicable unless expressly excluded in the Purchase Order. **Seller shall not act in any unethical manner during operation of its business activities.** *PT Products Inc. is committed to providing conforming product to its customers and Seller's products play an integral part to this success. Seller therefore understands the contributions to overall product safety and conformity*

QC-01 QUALITY SYSTEM REQUIREMENTS: The supplier/vendor for PT Products shall maintain a Quality Assurance Program, preferably meeting or exceeding the requirements of ISO 9001 and/or AS9100. Designated QAP shall assure that all parts and assemblies submitted conform to applicable drawings, meet all material specifications and outside processing specifications and other Purchase Order requirements. **PT Products has a Vendor Selection Process with conditions for Approvals and Disapprovals. There is also ongoing Evaluation of performance reporting with a goal of 70% overall vendor rating with on time delivery of 95%.** Objective evidence and validation of conformity shall be provided as requested, regardless of manufacturing source. Supplier shall notify Buyer within two working days if any ISO, AS, or NADCAP certifications are revoked or suspended. Notification of certification upgrade is encouraged, but not mandatory.

QC-02 PT PRODUCTS INSPECTION UPON RECEIPT: The supplier shall be responsible for all inspections and tests required to substantiate conformity. Incoming articles defined in this contract are subject to inspection upon receipt at office location and will not be accepted if the provider/contractor fails to submit the certification, documentation, test data, reports and packing slip specified in the contract or on the purchase order.

QC-03 MATERIAL CERTIFICATION, CHEMICAL, PHYSICAL TEST DATA, LOT TRACEABILITY:

The Supplier shall furnish if REQUIRED BY PURCHASE ORDER a complete set of material certifications traceable to lot, batch, block, or heat number of the mill or original material manufacturer. Where applicable, these certifications must listing all chemical and physical test reports & results traceable to the lot, batch, block, or heat lot number **back to mill**. All test data and certifications traceable to the materials supplied must be kept on file for a minimum of seven (7) years.

QC-04 CERTIFICATE OF COMPLIANCE: PT Products requires a statement of conformance to the Purchase Order which will accompany contract to print/drawing and specific processes, incoming shipments, either partial or complete. IF stated as a requirement on the Purchase Order the certificate of conformance, COC, shall display the following elements: **Statement of Quality:** Certification must make statement that the parts are found and certified to conform to the applicable requirements and have been manufactured and processed in accordance with the Purchase Order. Example: "We ---(supplier name)-- certify that all materials/parts and or assemblies shipped are in conformity with the Purchase Order and are supported by associated documents that identify the chemical, physical, testing, heat numbers, and processes."

QC-05 Lot Specific: Certification must make specific reference to the part number or process number, the quantity of units, reference to the Purchase Order and or job number and have a unique shipper or certificate number.

QC-06 FIRST ARTICLE INSPECTION REPORTS: Should FAI be requested for incoming manufactured parts it is required that the **AS9102** standard be used against FAI inspection processes. The FAI inspection report must accompany the products along with other documentation and certifications.

QC-07 ACCESS TO FACILITIES: The Supplier shall grant P.T. Products, its customers, and/or any regulatory authorities' right of access to the applicable areas of all facilities at any level of the supply chain involved in the Purchase Order and to all applicable records & processes used to manufacture parts for the PO. This shall also include the right to conduct a survey, audit, and/or assessment of the Suppliers facility and sub-tier suppliers to determine their capability to comply with requirements.

QC-08 CHANGES: The Purchaser reserves the right to reduce or increase the quantities covered by this order and make changes in specifications if required. Any difference in price or delivery time resulting from such change shall be adjusted and this order modified accordingly. No modification of this order is allowed without written authorization of Purchaser.

QC-09 NONCONFORMING MATERIAL: The supplier must maintain a documented system to ensure nonconforming products are immediately identified as nonconforming and segregated as size permits, from conforming products and withheld in a designated and controlled area for review and disposition. Any departures from drawings, specification, rework disposition. Or other procurement requirements shall be submitted to the PURCHASER for review and consideration. Any deviations in design data must be approved and in accordance with terms of Purchaser's Quality Assurance guidelines.

QC-10 SHELF (CURE DATE) LIFE ITEMS/ELASTOMERIC IDENTIFICATION: Unit packs shall be marked by stencil, print, stamp or labels with the following information: Manufacturer's name, address and phone number, Manufacturer's part number, Quantity in package, Revision number with correct nomenclature, Lot traceability number or serial number, Cure date.

Expiration and manufacture date

All items must have a minimum of 80% shelf life remaining.

QC-11 USE OF DESIGNS AND DATA: Supplier agrees that it will keep CONFIDENTIAL the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data, or other technical or proprietary information concerning all Purchase Orders requiring outside processes or subcontracted services. Supplier shall use such items only in the production or processing of the items specified by Purchase Order and not in behalf of any third person or party without the written consent of Purchaser.

Verify current document revision with the Master Controlled file Copy maintained by the Management Representative prior to use.

QC-12 ASSIGNMENT: This Purchase Order shall not be assigned in whole or in part nor a major portion thereof subcontracted without the prior written consent of Purchaser.

QC-13 RECORD RETENTION: must be maintained by supplier for a period of **7 Years**.

QC-14 COUNTERFEIT MATERIALS & PARTS: Suppliers agrees to protect and insure that Counterfeit Materials and/or parts are not supplied as part of the Customer Purchase order. Suppliers bears the responsibility to insure only authentic items are used for the performance of this order.

QC-15 PACKAGING/ HANDLING/PRESERVATION/SHIPMENT: All items delivered on this order must be adequately preserved, packaged, handled, and contained to prevent deterioration and damage during shipment. The shipping method should ensure safe arrival at destination in accordance with best commercial practices unless special packaging and shipping instructions are specified by Purchase Order, drawing, or specification. Special packaging/handling instructions may include, but are not limited to, unique marking requirements, special material traceability, or use of custom or reusable containers.

QC-16 DELIVERY SCHEDULES / DELAY IN SHIPMENTS:

Supplier shall meet all scheduled delivery dates as specified on P.T. Products Purchase Order. If Supplier becomes aware of any circumstances that are likely to give rise to a delay in promised delivery date, the Seller shall immediately notify Buyer, in writing, stating the reason for the delay and the new delivery date.

QC-17 NONDESTRUCTIVE TEST REPORT: A nondestructive test report/Certificate of Conformance, if a condition of the Purchase Order, shall be provided by the Supplier for each shipment of material. The Report/Certificate of Conformance shall include, at a minimum; the Purchase Order Part Number, inspection method, quality requirement used for evaluation, rejection or acceptance of article, flaw indication sheet, and identification of inspecting personnel. A report must be submitted for each NDT method performed.

QC-18 SOURCE INSPECTION: Source Inspection, if a condition of the Purchase Order, shall be performed as specified (in-process and/or final). Please notify P.T. Products Supplier Quality Management two (2) working days in advance of the date source inspection will be performed at your facility.

QC-19 NOTIFICATION OF CHANGE: in Facility, Approved Processes, Materials or Procedures: Suppliers are prohibited from relocating or changing any production, manufacturing, and/or processing without prior written notification and approval by P.T. Products. This is necessary to afford P.T. Products an opportunity to examine such facilities for compliance with Quality Assurance requirements, including any necessary approvals. In addition, if there is a change in senior management the Seller shall notify P.T. Products.

QC-20 ORDER OF PRECEDENCE FOR TECHNICAL DOCUMENTS: In the event of a conflict in requirements between technical documents, the following order of precedence shall prevail:

1. Purchase Order/Contract
2. Drawings
3. Specifications cited on the drawings

Note: Contact the P.T. Products authorized buyer regarding any questions or concerns. The Configuration Requirements specified in the Purchase Order will contain applicable drawing, associated revision levels and supplemental drawing data.

QC-21 CORRECTIVE ACTION REQUEST: When a quality problem exists, P.T. products will request corrective action from the Supplier. Such request shall be responded to in the specified time and shall include the following information on an 8D Form or similar:

- Containment Actions Taken
- Analysis of the root cause of the problem
- Statement of the action taken
- Effectiveness of the action

QC-22 PAYMENT: Unless otherwise stated on the face of this Purchase Order, terms are NET 45 days from the latter of receipt of invoice for any goods, services, materials.

QC-23 RISK OR LOSS: Title to and risk of loss of the shipping product shall remain with the Supplier until receipt of Purchase Order and transference to Purchaser. Shipping insurance is recommended to avert financial loss.

QC-24 INDEMNIFICATION: Supplier shall indemnify and hold harmless the Purchaser from any and all claims, damages, costs, expenses, fees or other losses incurred on account of any breach of the aforesaid terms and conditions or other provision of this Purchase Order

QC-25 REJECTIONS: Payment of Invoice by Purchaser shall NOT constitute acceptance. IF any orders of goods are found to be defective in material or workmanship or NOT in conformity with the requirements of this Purchase Order, Purchaser shall have the right to reject and return such goods at Supplier's expense and receive full credit for any such rejected goods. Supplier is responsible for any associated costs resulting from the defective goods and remanufacture or replacement.

QC-26 PATENTS: Supplier agrees to protect, indemnify and save harmless the Purchaser or Purchaser's Customer from any claim, loss or damage from alleged or actual infringement of trademarks, patents, copyrights and unfair competition actions with respect to items specified in this order.

QC-27 RoHS Compliance; Supplier is to insure that all products as part of a purchase agreement are free of hazardous materials. Suppliers bears the responsibility to insure only RoHS Compliant items are used for the performance of this order.

Verify current document revision with the Master Controlled file Copy maintained by the Management Representative prior to use.