



QUALITY FABRICATION, INC. (QFI)

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"An AS9100 certified Precision Sheet-Metal Fabrication and Machining Company since 1980"

Terms & Conditions for QFI Suppliers

Quality Fabrication Inc (QFI), at any time prior to the Delivery Date, by a written orders may suspend its purchase of products or services ordered or the delivery date or make changes in (I) applicable drawings, and or specifications, (II) the method of shipment or packaging, and or (III) the place of delivery or the specified location for services to be performed.

Supplier agree to perform the following 1 thru 5, as applicable

- 1) All specific instructions per line item or per the entire purchase order.
- 2) Requirements for design, test, inspection, verification (including production process verification), use of statistical techniques for product acceptance, and related instructions for acceptance by the organization, and as applicable critical items including key characteristics,
- 3) Requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing,
- 4) Records retention of minimum 10 years, some Purchase orders may require a life time retention of records, and
- 5) Grant right of access by Quality Fabrication, Inc., our customer and regulatory authorities to the applicable areas of all suppliers' facilities, at any level of the supply chain, involved in the order and to all applicable records.

Supplier shall also,

1. Notify QFI of nonconforming product,
2. Obtain QFI's approval for nonconforming product disposition,
3. Notify QFI of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and where required, obtain QFI's approval,
4. Flow down to the supply chain the applicable requirements including customer requirements,
5. Not deliver any counterfeit parts.
6. Consider all items on our purchase order as critical items and take necessary actions to ensure items sent to QFI meet the requested specifications. A written mutual understanding may be established for non-critical items on a purchase order.
7. Make sure all items shipped meet necessary product safety requirements.
8. Notify QFI when any supplied material does not comply with the latest standards of RoHS, REACH or Conflict Mineral regulations.

TERMS & DEFINITIONS

- 1) Supplier - refers to any external source used to procure products or services by QFI; the recipient of the purchase order bound under these terms and conditions.
- 2) Product - could be used to describe a "service" that is provided to the customer by QFI and to QFI by its supplier.
- 3) Counterfeit Part – An unauthorized copy, imitation, substitute, or modified part, which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.
- 4) Critical Items – Those items having significant effect on the provision and use of the products and services that require specific actions to ensure they are adequately managed
- 5) Key Characteristics – An attribute or feature whose variation has a significant effect on product fit, form, function, performance, service life, or producibility, that requires specific actions for the purpose of controlling variation.
- 6) Product Safety – The state in which a product can perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property
- 7) Special Requirements – Those requirements identified by QFI which have high risks of not being met, thus requiring the inclusion in the operations risk management process.
- 8) RoHS – latest information about RoHS can be found by visiting this website http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm
- 9) REACH – latest information about REACH can be found by visiting this website http://ec.europa.eu/environment/chemicals/reach/reach_en.htm
- 10) Conflict Minerals - In 2010, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act was passed concerning "conflict minerals" originating from the Democratic Republic of the Congo (DRC) or adjoining countries. The SEC published final rules associated with the disclosure of the source of conflict minerals by U.S. publicly traded companies (see the rules at <http://www.sec.gov/rules/final/2012/34-67716.pdf>). The rules reference the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, (<http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>), which guides suppliers to establish policies, due diligence frameworks and management systems. See information on the Conflict-Free Sourcing Initiative (www.conflictreesourcing.org).

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