

## Photo-Sonics, Inc. Purchase Order Terms and Conditions

Following are the terms and conditions (QMS requirements) applicable to every purchase order issued by Photo-Sonics, Inc. and shall remain in effect until further notice. Additional conditions may apply in accordance with our customers' requirements as stated on the actual purchase order. Purchase order will/may include Requirements **to implement a Quality Management System, requirements** for design, **development, control**, test, inspection, Verification, **production process verification**, use of statistical techniques, and related instructions for acceptance, including **special requirements**, (critical items and key characteristics) test specifications, **design approval, investigation and auditing**. Should you have any questions or require clarification regarding any of the following, it is your responsibility to contact us for clarification.

01 RIGHT OF ENTRY – You are required to grant Photo-Sonics, Inc., our customers and regulatory authorities' access to your facility, and those of your sub-tiers involved in the fulfillment of Photo-Sonics, Inc. purchase orders and applicable records **for verification or validation activities that Photo-Sonics, or its customer intends to perform** to ensure compliance with all applicable specifications and laws.

02 REVISION LEVEL – All processing/service associated with Photo-Sonics, Inc. purchase orders must be performed in accordance with the latest specification revision unless otherwise specifically requested.

03 NONCONFORMING PRODUCT – You are required to notify Photo-Sonics, Inc. of any nonconforming product as result of your process/service. Nonconforming product must not be further processed without written authorization. Immediate notification must be made, if any process or product discrepancy discovered or suspected after delivery, in writing to prevent further processing and/or delivery of nonconforming product to Photo-Sonics, Inc.

04 DISCREPANCIES – You are required to notify Photo-Sonics, Inc. when there is a discrepancy in piece count and/or any parts of our requirements are unclear.

05 PROCESS CHANGES – You are required to notify Photo-Sonics, Inc. **for approval** if any quality requirements cannot be met as stated on the purchase order or if any process changes are made (i.e. specification changes or later revisions, material substitution, etc.) **changes in products, services, drawings, work instructions**, change of suppliers and changes of manufacturing facility location.

06 SUB-TIER CONTROLS – you are required to flow down all applicable purchase order requirements, including key characteristics, statutory and regulatory requirements. Photo-Sonics, Inc. must have previous knowledge and approval of all (sub-tier) suppliers used for our product.

07 DOCUMENTATION – You are required to provide documented proof of processing **of products and services** (process certification, first article report, mill report, physical and/or chemical test result, etc.) with each and every shipment/order.

08 RECORDS – You are required to retain process records, certifications and test reports for a minimum of 10 years unless another specific, documented agreement has been made. After that time, you may dispose of the records in any manner you choose. The same requirement applies to copies of Certificate of Compliance, etc. forwarded with shipments. These records must be made available for review by request of Photo-Sonics, Inc., our customers and regulatory authorities in accordance with contract or regulatory requirements.

09 TRACEABILITY – Certificates of Compliance or Process Certifications must identify the Part Number, revision or Issue, Purchase Order Number, Quantity, Serial Numbers (when applicable), Photo-Sonics, Inc. Job Number, all relevant Specification with revisions and Material Heat Number when known; contain the name, date and signature of the issuer. Maintain counterfeit risk mitigation processes in accordance with industry recognized standards (Ex SAE AS5553), **disclose the source of parts if the parts should become the subject of a legal or counterfeit issue.**

10 HANDLING – Product must be handled, stored and packaged to prevent F.O.D, damage, or deterioration.

11 For CALIBRATION SOURCES – You are required to comply with the requirements of ISO 17025, ISO 10012 or equivalent. All certificate(s) of calibration must reflect compliance. Measuring equipment shall be calibrated against measurement standards traceable to international or national measurement standards (NIST); where no such standard exist, the basis used for calibration shall be recorded.

12 FOREIGN MATERIAL SOURCE – When required by contract, raw material must be certified as domestic from a mill in a qualified country as listed on the Bilateral Airworthiness Agreement (BAA) and/or DFARS paragraphs 252.225-714 ALT 1 and 225-872-1.

See one of the following websites for complete listing of authorized countries:

BAA: [www.faa.gov/aircraft/air\\_cert/international/bilateral\\_agreements/baa\\_basa\\_listing/](http://www.faa.gov/aircraft/air_cert/international/bilateral_agreements/baa_basa_listing/)

DFARS: <http://www.acq.osd.mil/dpap/sitemap.html>

13 For APPROVED PROCESS SUPPLIERS – You have been delegated process and inspection authority to ensure all applicable process and material specifications are met and documented accordingly. You are required, upon request, to demonstrate and provide evidence of your processes to planned results and establish arrangements for the processes including:

-- Defined criteria to review and approval of the processes (qualification and approval of special processes prior to use)

-- Approval of equipment and qualification of personnel, **ensure personnel are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.**

-- Use of specific methods and procedures (control of the significant operations and parameters of special processes in accordance with documented process specifications and changes thereto)

**Control and monitoring of your sub-tiers' performance to be applied by Photo-Sonics**

-- Requirement for records

-- Revalidation

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