

Toby-Yanni, Inc.

Purchase Order Quality Assurance Clauses

Policy:

It is the policy of Toby-Yanni, Inc. to purchase only from those suppliers who consistently meet Toby-Yanni, Inc.'s requirements for quality, delivery and reliability. Failure to comply with any requirement invoked by the purchase order may be cause for rejection of the material and/or processing of material included in the purchase order. Corrective action measures for product and systems issues may be requested of the supplier. Failure to respond in a timely or effective manner may result in removal of the supplier from Toby-Yanni, Inc.'s approved vendor list, purchase order hold or source inspection.

Mandatory Clauses:

When Standard Purchase Order Quality Clauses are referenced in the Purchase Order, Base Quality Clauses QAC1 through QAC15 apply.

Specific Quality Clauses:

Specific quality clauses SQAC01 through SQAC06 apply in entirety when stated by their specific code on Toby-Yanni, Inc. Purchase Orders. These requirements are in addition to any others set forth in the purchase order or product specification and form an integral part of the purchase order.

Base Quality Clauses:

QAC1 - Quality System Requirements

The supplier shall have a Quality Management System that complies with ISO9001 (level commensurate with product or service rendered), AS9100 or a Quality Management System that must be approved by Toby-Yanni, Inc.

QAC2 - Control of Measuring and Test Equipment

A documented program shall be established and maintained to ensure that tool, gages, instruments and other measuring and testing devices, which are used during inspection are controlled, calibrated and adjusted at a stated frequency to maintain accuracy within specified limits. The measuring and test equipment shall be maintained in accordance to ISO10012-1 "Quality Assurance Requirements for Measuring Equipment" or equivalent.

QAC3 - Quality and Inspection Records

Quality and Inspection records must be maintained for a period of seven (7) years minimum unless otherwise stated in the Purchase Order, and shall be made available for examination by Toby-Yanni, Inc. upon request.

QAC4 - Compliance to Purchase Order Requirements

Objective evidence validating the conformance of purchased items or services to Purchase Order requirements shall be kept for a period of seven (7) years, and shall be made available for examination by Toby-Yanni, Inc. upon request.

QAC5 - Certificate of Conformance

A legible "Certificate of Conformance" (C of C) statement shall be provided with each shipment submitted to Toby-Yanni, Inc. The C of C statement shall be in the supplier's format and may either be a separate document or may be included within the packing list. The C of C statement shall state that the items were produced in conformance with requirements as specified in the Toby-Yanni, Inc. purchase order. As a minimum, the C of C shall note; 1) the manufacturer or distributor's name and address; 2) the Toby-Yanni, Inc. purchase order number; 3) the part number(s) and revision(s) when applicable; 4) traceability information including serial numbers, lot codes, or date codes as appropriate; 5) shelf life expiration date codes if applicable; and 6) signature of the supplier's authorized representative. Sellers/Distributors shall also provide original OEM (Original Equipment Manufacturer) and/or OCM (Original Component Manufacturer) Certificates of Conformance.

QAC6 - Traceability

The supplier shall maintain a system of traceability on all raw materials, purchased components and manufactured parts used to supply items on this Purchase Order. This requirement shall also apply to samples sent to the Supplier for testing, analysis or inspection and to Toby-Yanni, Inc. owned monitoring equipment sent for calibration. The supplier shall ensure that the identification of material, components, parts, samples and/or Toby-Yanni, Inc. owned equipment is in effect upon receipt. The supplier shall provide continuous control throughout fabrication, testing or calibration. Material shall provide easy traceability to receiving inspection reports, purchase orders, specifications, drawings and other documented data.

QAC7 - Identification/Shipping

The supplier shall ensure that all items shipped under this Purchase Order are adequately packaged to prevent damage, contamination or deterioration. Supplier shall use best commercial shipping practices.

Material shipped to Toby-Yanni, Inc., as a minimum, be identified with the Toby-Yanni, Inc. part number (if applicable) and Purchase Order Number on the outside of the shipping container. Additional marking and/or identification shall be as required by specification, drawing or Purchase Order.

QAC8 - Limited Shelf Life Material

The seller shall identify each item, package, or container of limited-calendar-life material with the cure or manufacture date, storage temperature, special handling conditions and requirements, in addition to the normal identification requirement of name, part number, specification number, type, size, quantity and manufacturing recommended shelf life. A MSDS sheet and Certificate of Compliance must accompany each shipment and must contain the above mentioned requirements at a minimum. For each delivery of limited shelf life materials, the time lapse between the cure or manufacturing date of such materials and the date of scheduled receipt by Toby-Yanni, Inc., shall not exceed one fourth (1/4) of the total shelf life of the material without prior authorization from Toby-Yanni, Inc.

QAC9 - Deviations/Discrepancies

Any departure from drawing, specifications or Purchase Order requirements must be submitted to Toby-Yanni, Inc. Dispositions of such deviations/discrepancies must be approved by Toby-Yanni, Inc prior to shipment. Any rejected material that is being resubmitted by a supplier shall be clearly identified as such on the shipping documentation and must reference TYI's rejection document.

QAC10 - Right of Entry

Toby-Yanni, Inc., its customers and applicable regulatory agencies reserve the right to witness the manufacture or processing of any items in this Purchase Order to determine and verify the quality of work, records and material at any location including the Supplier's facility and at any sub-tier facility.

QAC11 - Toby-Yanni, Inc. Receiving Inspection

Parts and/or Product will be subject to receiving inspection of all characteristics. Material that does not conform to specification will be returned, at Supplier's expense, for replacement and/or refund. Latent defects not discovered during source inspection or receiving inspection, but disclosed during assembly or use, shall be cause for rejection.

QAC12 - Flow Down of Requirements

The supplier shall ensure that requirements be flowed down to All sub-tier suppliers, including key characteristics, materials selection, first article inspection and/or process controls where required.

QAC13 - Counterfeit Parts & Materials

Supplier shall have a counterfeit parts avoidance, detection, mitigation and disposition program. Seller shall only deliver authentic components, devices, pieces, material, modules, assemblies, subassemblies, goods, etc. that are manufactured by or obtained from Original Equipment Manufacturers (OEM's), Original Component Manufacturers (OCM's) or Authorized Distributors. Seller shall make available to Toby-Yanni, Inc. documentation that authenticates and provides traceability of the Parts to the applicable OEM and/or OCM.

QAC14 - Not Assigned

QAC15 - Not Assigned

Specific Quality Clauses:

SQAC01 - First Article Inspection Report (FAIR)

The supplier shall perform a Full FAI or Partial (Delta) FAI and submit Inspection Report along with part/product. The report shall contain objective evidence that all design characteristics are verified and accounted for, uniquely identified and have inspection results traceable to each identifier. Toby-Yanni, Inc. recommends FAI report AS9102 or an equivalent supplier form be used.

SQAC02 - Test/Inspection/Analysis

Certified test data, or a copy thereof on the testing organization's letterhead, shall be supplied with each shipment. This report must contain factual information necessary to demonstrate conformance to the requirements reflected in the available specification, on the drawing or in the Purchase Order. The test data shall show quantitative requirements and permissible tolerances for all values measured versus quantitative test results. Certificates of test/analysis shall indicate the specification, revision level, type of test performed, total quantity tested, total quantities accepted and rejected.

SQAC03 - Trade Compliance Controls (ITAR)

This purchase order may contain and/or reference documents containing information subject to the International Traffic in Arms Regulations (ITAR). Suppliers may not export, release or disclose such information to foreign nationals without first complying with requirements of ITAR

SQAC04 - Raw Material & Special Process Certification

Materials supplied against this purchase order may be subjected to laboratory analysis for material composition and/or purity. Any results non-compliant with specification requirements will be cause for rejection and return of materials to supplier. The Supplier shall provide certificates for raw material and special processes used to manufacture the component and these must accompany each shipment. The Raw Material Certification shall be from the mill source and list test values.

SQAC05 - Not Assigned

SQAC06 - Not Assigned