

595 MONTEREY PASS ROAD, MONTEREY PARK, CA 91754-2416 PHONE (213) 620-9950 FAX (213) 620-9953

PURCHASE ORDER TERMS & CONDITIONS form 18.8

Right to Verify Purchased Products:

When specified on the contract, BSI Customers shall be given the right to verify at the Supplier's premises and the organization's premises that subcontracted products conform to specified requirements.

Disposition Of Non-Conforming Products:

The supplier is to notify BSI disposition of any non-conforming products within a reasonable time period after it is identified.

Provision Of Product Integrity & Traceability:

All products supplied by the supplier must be legible and traceable to the Original Equipment Manufacturer (OEM) with full lot traceability. Paperwork traceability must be maintained at the supplier's facility. Supplier must provide OEM Certificate of Conformance (COC) and Test Reports (T/R) upon request. BSI prohibits any purchase, shipment or circulation of counterfeit / suspect unapproved products.

Change Of Product:

The supplier is required to notify BSI of any changes in product definition.

Right To Access:

BSI, their customer, and any regulatory authorities will have the right to access, at any level of the supply chain, all supplier facilities involved in the order and applicable records.

Shipping Tolerance:

Ship quality tolerance is + / - 0% without buyer written approval.

(All product shipped to BSI must be free of mercury compounds)

(All product shipped to BSI must be free of FOD)

(All applicable requirements must be flowed down to sub-tier suppliers)

(Suppliers are required to notify BSI Sales Department prior to transferring any BSI work to a new facility. BSI will determine prior to transfer if suppliers may perform the transfer work.)

(The supplier shall maintain adequate records of all inspections and tests. Records shall be kept for a period of ten (10) years after final payment for supplies or services.)

Blue Sky Industries will not accept counterfeit products. In the event that BSI should receive a suspect product, BSI shall treat as a non-conforming product and BSI will not accept financial responsibility for said product.

Rev. A

Effective Date 10/25/12

Approval: FY