



310 S. Brushy Street, Leander, TX 78641

PSI Supplier Quality Terms and Conditions

Acceptance By acceptance of a Process Sciences, Inc. (hereafter "PSI") Purchase Order, Supplier accepts and agrees to the standard terms and conditions enumerated below, in addition to any special terms included in the Purchase Order notes.

Inspection and Testing All products and services shall be subject to inspection and approval by PSI after delivery. PSI reserves the right to reject any product or services that it deems non-conforming, defective, unsafe, unfit, in excess of the Purchase Order quantities or in any other way unsuitable for its purpose. PSI reserves the right to require replacement of rejected products or services. Supplier shall, at PSI's option, either (i) promptly repair or replace the defective goods or services at the Supplier's cost, or (ii) issue a full refund.

Delivery Supplier will deliver the products within the time promised. In the event of a delay in the delivery of products or services, PSI reserves the right to withdraw the order without any liability to Supplier. Repeated delays may inhibit PSI's ability to do business with that Supplier.

Service Standards Supplier shall perform services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with best industry standards for similar services and shall devote adequate resources to meet its obligations. Supplier shall ensure that its employees are aware of how their performance contributes to the quality and safety goals of Supplier. Supplier shall ensure that all of its equipment used in the provision of services is in good working order and suitable for which they are used. PSI and its Customer reserve the right to enter Supplier's facility for inspection and/or audit, at any time during fulfillment of contracted services.

Certificate of Compliance (CoC) PSI may require a Certificate of Compliance (CoC) be provided with shipment of certain goods. The Certificate of Compliance must include at minimum:

- Supplier name, address, and date of certificate
- Part number, revision, purchase order number and quantity shipped
- Statement of conformity or results stating that parts meet all PSI stated requirements.
- Where a special process or standards requirement (material type, test methodology, etc.) is called out, the standard and revision must be referenced on the Certificate of Compliance.
- Signature of an authorized company representative.

Control of Nonconforming Product In instances where the supplier determines that nonconforming product may have been shipped, the supplier must notify PSI immediately. The supplier must provide a system for disposition of nonconforming product found during manufacturing to prevent return to production or shipping.

Changes to Process, Product, or Scope

- A. Supplier shall notify PSI and receive written approval prior to shipping any item that has had a product and/or process change, or if there is a change of location where service is to be performed.
- B. Supplier agrees to provide only those goods, and/or to perform only those services, which are specified in PSI Purchase Order. Written approval from PSI is required prior to performing additional services, substitutions, or revisions of scope.

Handling, Preservation, and Traceability *Supplier shall ensure that all items are adequately protected from damage, loss, deterioration, or degradation. Each container shall be properly marked or labeled with part number, and (if applicable) origin and destination.*

Lot Control – Electronic Components

- A. *Suppliers who provide electronic components such as resistors, capacitors, integrated circuits, etc. shall ensure that only one lot is contained within each package (reel, tube, tray, etc.)*
- B. *At no point should multiple lots be combined and shipped to PSI without adequate identification and / or segregation. Date codes can be used as a lot identifier as long as condition A is met. All outer packaging should be labeled to indicate the lot number being supplied.*
- C. *Mixed lots which are received by PSI (in the same reel or tube) will immediately be rejected and returned to the supplier.*

Counterfeit / Fraudulent Component Controls *OEM Authorized Dealers or Distributors who provide electronic components shall maintain the Original Component Manufacturer's (OCM) product integrity and supply chain traceability through OCM's component warranty, proper handling and storage procedures, and failure and corrective action support.*

Foreign Object Debris (FOD) Controls *In any process where Foreign Object Debris (FOD) has the potential of migrating into PSI products, Supplier shall have a prevention system in place. FOD prevention controls should be in accordance with NAS-412.*

ESD Controls *Suppliers who provide or handle ESD sensitive components must ensure adequate ESD protection. ESD prevention methods include, but are not limited to:*

- *ESD Packaging & Containers*
- *Internal Controls for ESD Prevention*

Quality Programs Requirements *PSI may require specific quality program and/or record retention requirements. PSI Purchasing will provide the necessary information to the supplier in order to allow for compliance with the applicable requirements. The following requirements may be mandated, as appropriate:*

- *ISO9001 Certification*
- *AS9100 Certification*
- *MIL standard requirements*
- *PSI Customer's specific, supply chain flow-down requirements*
- *PSI Customer's mandated Record Retention requirements*

General Requirements *PSI may require any of the following, as appropriate, by inclusion on its Purchase Order:*

- *Identification and revision status of drawings, process requirements, and any inspection/verification instructions, such as, first article inspection*
- *Requirements for test, inspection, verification and the use of statistical techniques for product acceptance and/or any other instructions for product acceptance including key characteristics, where appropriate*

Ethical Conduct *PSI expects Suppliers to conduct business in accordance with the highest ethical standards, to deal honestly and responsibly with their employees, suppliers, and customers, and to comply with all federal, state, and local laws regarding health and safety, discrimination and hiring, environmental responsibility, and financial integrity.*