

1.0 Quality Management System:

- 1.1 External Supplier must maintain a quality management system that is certified to ISO 9001 or AS9120 or AS9100.
- 1.2 External Suppliers that perform design activities must have a certified design and development program.
- 1.3 Unless preapproved by the Orkal and the end user.

2.0 Customer Designated:

- 2.1 External Supplier is responsible for using customer designated or approved external providers, including process sources (e.g., special processes).

3.0 Nonconformance Notification:

- 3.1 External Supplier shall notify the Orkal Industries of any nonconforming processes, products, or services and obtain approval for their disposition prior to being released by submitting a concession request.
- 3.2 External Supplier shall notify immediately in writing the buyer of any product nonconformity discovered after the product is shipped to Orkal Industries.

4.0 Counterfeit Prevention and Detection Program:

- 4.1 External supplier must have a counterfeit product prevention and detection plan in place in their quality management system. The plan must include the ability to monitor and report any counterfeit products to the proper statutory and regulatory authorities. Seller shall immediately notify Buyer in writing of any counterfeit Deliverables discovered after shipment to Buyer.

5.0 Competence and Awareness:

- 5.1 External Suppliers are responsible for ensuring that all services activities have been performed by qualified personnel.
- 5.2 External suppliers are solely responsible for those employees performing activities on purchase orders and acknowledge that they are aware of their contribution to Deliverable conformity and product safety.
- 5.3 External Suppliers are responsible for those employees performing activities on purchase orders are aware of the importance of ethical behavior.

6.0 Communications:

- 6.1 Communications between the Seller and the Purchaser will be in the form of email, fax or by phone.
- 6.2 External Suppliers shall notify Orkal Industries of any changes to processes, products, or services and equipment, including changes of their external providers or location of manufacture.

6.3 External Suppliers shall be responsible for flowing down all applicable requirements to their external providers that are noted on the Buyers purchase order or contract. Including the retention periods and disposition requirements for documented information.

7.0 Monitoring of External Suppliers:

7.1 External Suppliers will be monitored for on time delivery and on the quality of the product and or services they supply. They will be monitored monthly and reported quarterly.

8.0 Right of Entry:

8.1 The Buyer reserves the right of entry at any point in time, by the buyer, by the buyer customers and/or by Statutory and/or Regulatory Authorities to visit/audit the Sellers premises, facilities, records, and procedures.

9.0 Documentation:

9.1 External Suppliers are required to note on All part documentation (COC, Test Reports, etc..) requested on Orkal Industries purchase order MUST reference at a minimum the part number, manufacturer's name, lot/batch or Control Number and quantity. (One-Original Copy of COC is required per lot of part(s) being shipped).

9.2 External Suppliers are required when noted on the Orkal Industries purchase order to note on their documentation all end user required data.

9.3 External Suppliers are required to maintain all quality records for a minimum of 10 years or longer based on contractual requirements.

9.4 When First Articles Inspection requirements are noted on the Orkal Industries purchase order External Suppliers are required to perform all activities in accordance to the latest revision of AS9102.

10.0 Inspection and Verification:

10.1 All items and services performed and/or supplied by a External Suppliers Seller are subject to inspection and verification including production process verification by Orkal Industries, its end customer and relevant Statutory and/or Regulatory Authorities or similar foreign regulatory agencies.

10.2 All special requirements critical items, or key characteristics are subject to inspection and verification by Orkal Industries, its end customer and relevant Statutory and/or Regulatory Authorities or similar foreign regulatory agencies.

11.0 Use of Statistical Techniques:

11.1 When statistical techniques is used for product deliverable acceptance, statistical sampling plans must be derived from an approved national standard.