



# QUALITY TERMS & CONDITIONS FOR PROCUREMENT

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Sections 1 through 5 apply to all suppliers doing business with RSI. Sections 6 through 9 apply to those suppliers providing materials and products for Aerospace and Defense applications. Acceptance of RSI's purchase order confirms supplier acceptance of these terms and conditions.

## 1. GENERAL REQUIREMENTS

- 1.1 Authorized personnel from RSI, Inc., RSI's customer, and the appropriate regulatory agencies shall have reasonable access to the Supplier or subcontractor's facility during performance of the contract. Supplier's support of visiting personnel will be provided at no cost to RSI, Inc., RSI's customer, or appropriate regulatory agencies.
- 1.2 For RSI designed or controlled parts and material, Material Review Board (MRB) authority is NOT granted. Any deviations to RSI engineering specifications must have RSI MRB approval prior to shipment. Any deviations to contract requirements must be coordinated with RSI before shipment. Supplier must include a copy of the MRB disposition for each item contained within each shipment of product. Supplier document submitted for MRB request shall contain information in accordance with Section 2.4 of this document. In the event an item has received MRB disposition for quantities that would affect multiple shipments, a copy of the MRB must be contained within each individual shipment.
- 1.3 Acceptance of material, provided in response to RSI purchase orders, shall be contingent upon approval by RSI Quality Assurance.
- 1.4 RSI, RSI's customers, or regulatory agency may impose source inspection, for any item that has been or will be produced, at their discretion.
- 1.5 Supplier shall notify RSI when nonconformances in the Supplier's process or product are discovered or suspected that may affect parts of assemblies Supplier has delivered under an RSI purchase order.
- 1.6 Supplier shall notify RSI when changes occur that affect the quality system and/or product, including but not limited to:
  - Changes in product or process
  - Changes of suppliers
  - Changes in ownership, including acquisition, mergers, and/or dissolution of the business
  - Changes of manufacturing facility location
- 1.7 Supplier shall comply with requirements of the RSI quality clauses as specified on the RSI purchase order. The Supplier shall flow down all applicable requirements to the sub-tier Supplier level.
- 1.8 The shipment of materials and/or products to RSI by Supplier shall constitute acceptance by Supplier of the terms hereof of any RSI purchase order issued for purchase of such materials.



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- 1.9 Item(s) supplied shall comply with the revision listed on the applicable RSI purchase order. The revision level stated on the purchase order corresponds to RSI's customer part number. If the stated revision level IS NOT the latest revision for the item(s) being supplied, Supplier will contact RSI so the appropriate corrections can be made to the purchase order.
- 1.10 Supplier shall provide RSI with current drawings, prints, and technical data upon request, unless said documents are marked proprietary.
- 1.11 Supplier shall comply with all applicable U.S. export control laws and economic sanctions laws and regulations. Before providing RSI any item or data controlled under any of the Trade Control Laws, supplier shall provide in writing to the RSI Procurement Representative the export classification of any such item or controlled data.
- 1.12 Supplier shall not use any information provided by RSI for any purpose except to perform this contract and shall not disclose such information to third parties without the prior written consent of RSI.
- 1.13 If so identified, this contract is a "rated order" certified for national defense, emergency preparedness, and energy program use, and supplier shall follow all the requirements of the Defense Priorities and Allocation System Regulation.

## 2. WARRANTY

Seller warrants that all work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of the contract and be free from defects in design, material, and workmanship. This warranty shall begin upon final acceptance and extend for a period of one (1) year.

## 3. DOCUMENTATION REQUIREMENTS

- 3.1 When specified on the purchase order, Supplier shall provide a Certificate of Conformance with each shipment. The Certificate shall cite that the material and/or finished parts meet specified order requirements and that applicable records are on file and subject to examination. As a minimum, the certification must contain the following information:
  - a. Purchase order number
  - b. Part number stated on RSI purchase order as quality clause "MUST MEET REQUIREMENTS OF . . ." I.E. Mil-spec or commercial part number
  - c. Revision level of applicable drawings, specifications, prints of item(s) being supplied.
  - d. Manufacturer's name, manufacturing/assembly address, part number.
  - e. Supplier's name and address
  - f. Lot number, batch number, data code, serial number, etc. of item(s) supplied, when available
  - g. Quantity of product supplied including quantities corresponding to multiple lots, batches, or date codes. Multiple serial numbers require the range or individual numbers
  - h. Shelf life, cure date, expiration date, as applicable, to the item(s) being supplied
  - i. Authorized representative signature



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- 3.2 Supplier agrees to furnish copies of test reports, first article inspections, chemical and physical test values, and/or control data when required by the applicable specifications for the item(s) being supplied and/or when requested by RSI, RSI's customers, or regulatory authority. All data from the Supplier and sub-tiers shall be documented and supplied in English.
- 3.3 Supplier shall maintain quality records for a minimum of twelve years after the requirements of the purchase order have been fulfilled. Records created and retained by the supplier shall be controlled and made available to RSI within two working days of request date.
- 3.4 Supplier nonconformance/rejection report submitted for MRB request shall contain, at a minimum:
  - A clear identification and description of the part(s)
  - Space for disposition and authorizing signature(s)
  - Description of the nonconforming condition with reference to the "should be" and "is" conditions.
  - Sufficient detail to provide a thorough description of the condition
  - A statement of the cause of the nonconformance and the corrective action taken to prevent recurrence (if any)

## 4. SHELF LIFE / TEMPERATURE SENSITIVE PARTS / MATERIAL REQUIREMENTS

- 4.1 The shelf life and expiration date of parts/materials subject to degradation with age or varying environmental conditions must be clearly stated on the certification and packaging as required per the applicable specification. Parts/materials shall have the appropriate amount of shelf life remaining at time of receipt by RSI. Amount of required shelf life is specified on the RSI purchase order in the form of a quality clause/code.
- 4.2 If a part/material must be stored at specific temperature ranges to maintain shelf life, these temperature ranges must be specified and clearly stated on the certification and marked on the packaging as required per the applicable specification.

## 5. DISTRIBUTOR REQUIREMENTS

In addition to the above stated requirements, Distributors must also comply with the following:

- 5.1 When specified on the purchase order, Distributor must supply a copy of the original manufacturer's signed Certificate of Conformance for each item supplied to RSI.
- 5.2 The Manufacturer's Certificate of Conformance must meet the requirements of Section 3.1 of this document; except items 3.1a) and 3.1g), which will be listed on the Distributor's Certificate of Conformance.
- 5.3 Distributor will supply a copy of the original manufacturer's test report/data when required by the applicable part specification of the item(s) being supplied and/or when requested by RSI.



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## FLOWDOWN REQUIREMENTS

The following paragraphs are required to be flowed down to all sub-tier suppliers.

### 6. AWARENESS

#### 6.1 Product Safety Awareness

Supplier shall establish a communication method that ensures all personnel are aware of their contribution to product safety. This method shall establish a frequency of communication that is appropriate to the organization and this communication will occur annually at a minimum. Supplier shall maintain records of this communication.

#### 6.2 Product and Service Conformity

Supplier shall establish a communication method that ensures all personnel are aware of their contribution to product and/or service conformity. This method shall establish a frequency of communication that is appropriate to the organization and will occur annually at a minimum. Supplier shall maintain records of this communication.

#### 6.3 Ethical Behavior

Supplier shall establish a communication method that conveys the importance of ethical behavior. This method shall establish a frequency of communication that is appropriate to the organization and will occur annually at a minimum. Supplier shall maintain records of this communication.

### 7. FOREIGN OBJECT DEBRIS (FOD)

7.1 Supplier shall maintain a FOD prevention program in accordance with National Aerospace Standard NAS0412, Foreign Object Damage/Foreign Object Debris (FOD) Prevention or equivalent standard.

7.2 Whenever and/or wherever FOD entrapment or foreign objects can migrate, Supplier shall ensure that applicable foreign object requirements are flowed down to Supplier's subcontractors at every tier.

7.3 Prior to closing inaccessible or obscured areas and compartments during assembly, Supplier shall inspect for foreign objects/materials and ensure no FOD remains embedded, e.g. embedded protective plugs. Supplier shall ensure tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD.

7.4 By delivering items to RSI, Supplier shall be deemed to have certified to RSI that such items are free from any foreign materials that could result in FOD.

### 8. SUSPECT UNAPPROVED AND COUNTERFEIT PARTS

8.1 Suppliers shall have a plan/program for the identification and handling of suspected unapproved and counterfeit parts and material. This plan/program is to be in accordance with SAE AS5553 Counterfeit Electronic Parts, Detection, Mitigation, and Disposition (paragraph 4) and/or AS6174 Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Material (paragraph 3).



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- 8.2 Supplier shall specify flow down of applicable requirements of this document to contractors and their sub-contractors. If one or more supply chain intermediaries do not have a counterfeit part control plan compliant to this document, Supplier shall show traceability to an authorized distributor or manufacturer.

## 9. CONFLICT MINERALS

The Securities and Exchange Commission adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act that requires companies to publicly disclose their use of known Conflict Minerals (CM). Since it is RSI's policy to comply with all applicable regulations with respect to its material acquisitions practices, we are committed to complying with the rule.

Upon request, Supplier will provide:

- Name and part number of each Item that contains CM
- Identification of the CM
- Percentage of CM, by weight, in the Item and in any sub-component thereof
- Country of origin for each item
- Supplier name for each Item
- Any other information required by the Buyer to ensure compliance with conflict minerals regulations