

**Reyco tracks supplier performance based upon quality, delivery, and provision of required certificates/test reports, as applicable, and maintains supplier ratings accordingly. If suppliers fail to meet Reyco's requirements for quality, delivery, terms and conditions (including those stated herein), Reyco personnel will resolve such issues using means appropriate to the nature and severity of problems encountered. Resolution may involve correction, Corrective Action, or disqualification of suppliers from use, depending on the nature and severity of the issues.**

**To become and remain a supplier to Reyco, please read, and acknowledge, the following Reyco supplier requirements, applicable until further notice:**

- 1: Suppliers must use special process sources that are approved by Reyco customers, as required. Suppliers must abide by Reyco's customers' supplier approval requirements, which are identified in Reyco Purchase Orders or in other written statements of requirement, when applicable.
- 2: Suppliers are required to notify Reyco of nonconforming product when it is discovered at supplier locations and in cases where release to Reyco has occurred, if applicable. Reyco's General Manager and/or affected Reyco customer representative must review and disposition such nonconforming product according to established Reyco or customer procedures.
- 3: Suppliers are required to notify Reyco of changes in product and/or process definition, changes of suppliers, that impact the quality of products or processes for which Reyco is responsible, and changes in manufacturing facility location. Reyco's General Manager and/or affected Reyco customer representative must review and approved proposed process changes before they are implemented, as required by Reyco customers.
- 4: Suppliers are required to provide right of access by Reyco management, Reyco's customers, and regulatory authorities to all facilities involved in the order and to all applicable records, which will be kept for a minimum of seven-years or as our customers dictate. All export controlled information provided cannot be transferred and or stored by electronic means. Reyco's customers or customer representatives are granted the right to verify at suppliers' premises (and at Reyco's premises) that subcontracted product conforms to specified requirements.
- 5: Suppliers are required to flow down to their suppliers/subcontractors any applicable requirements in the suppliers' purchasing documents, to ensure Reyco's customer requirements are communicated to all responsible suppliers, including key characteristic requirements. Suppliers will handle and package parts in such a way to prevent FOD or damage during shipment.
- 6: Suppliers are responsible to take Corrective Actions when Reyco or Reyco's customers flow down corrective action requirements, in cases when it is determined that suppliers are responsible for root cause. Actions may be documented using Reyco's Action Forms, Reyco's customer's forms, or supplier forms, as appropriate. Suppliers are required to respond to Corrective Action requests in a timely manner. Corrective Actions must demonstrate cause analysis, action implementation, and verification of action effectiveness. Should actions prove ineffective, alternate actions may be requested, or suppliers may be disqualified for future use.
- 7: Counterfeit Work
  - (a) For purposes of this clause, Work consists of those parts delivered under this Purchase Order that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, misrepresented as acceptable.

(b) SELLER shall not deliver Counterfeit Work to REYCO PRECISION MACHINING, INC. under this Purchase Order.

(c) SELLER shall only purchase products to be delivered or incorporated as Work to REYCO PRECISION MACHINING, INC. directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by REYCO PRECISION MACHINING, INC.

(d) SELLER shall immediately notify REYCO PRECISION MACHINING, INC. with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. When requested by REYCO PRECISION MACHINING, INC., SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

(e) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Purchase Order addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.

(f) In the event that Work delivered under this Purchase Order constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Purchase Order. Notwithstanding any other provision in this Purchase Order, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation REYCO PRECISION MACHINING, INC. costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies REYCO PRECISION MACHINING, INC. may have at law, equity or under other provisions of this Purchase Order.

(g) SELLER shall include paragraphs (a) through (e) and this paragraph (g) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to REYCO PRECISION MACHINING, INC.

8: Finally, suppliers of calibration services or calibrated devices are required to provide certificates of calibration bearing traceability to the National Institute of Standards and Technology (NIST).

**The above terms and requirements pertain to each Reyco Purchase Order or purchasing contract; Acknowledgement of receipt of the above terms and requirements will be evidenced by suppliers' acceptance of Reyco's Purchase Orders or purchasing contracts.**

Received \_\_\_\_\_ BY: \_\_\_\_\_ SUPPLIER \_\_\_\_\_  
Date Title