

APAK, LLC DBA SUN-GLO STANDARD QUALITY CLAUSES

1. QUALITY SYSTEM REQUIREMENTS

A. MINIMUM INSPECTION SYSTEM REQUIREMENTS, MIL-I-45208, MIL-I-9858A

B. ISO/AS-9100

The Supplier, as a minimum, shall provide and maintain a quality program conforming to the requirements of specification ISO-9000, AS-9100, NADCAP

C. Best Commercial Practice

2. CHEMICAL/PHYSICAL TEST REPORTS

The Supplier shall include with each shipment, legible and reproducible copies of all chemical/physical test reports applicable to the material lot(s) submitted. Each report, as a minimum, shall exhibit actual test values for chemical/physical properties and provide for lot traceability by indicating the applicable batch and/or heat number. All reports shall be validated with an authorized representative's signature and title.

3. CERTIFICATE OF CONFORMANCE

The Supplier shall include with each shipment, a certificate of conformance proclaiming conformity, in all respects to the specifications, standards and other contractual requirements applicable to the supplies/items delivered on this order. Inspection records, test reports and similar documentation supporting certification claims shall be maintained and made available for review upon request.

4. TECHNICAL DATA SHEET/ MSDS

The Supplier shall include with the initial shipment or at the request of Sun-Glo per P.O. requirements, a legible and reproducible copies of the Technical Data Sheet and MSDS.

5. QUALITY SYSTEM AUDITS

The Supplier's quality system is subject to initial and periodic audits and shall be accepted by Sun-Glo to the extent required in order to ascertain the suppliers continued conformance of this specification. The primary purpose of these audits is to evaluate the effectiveness of the supplier's quality system and to determine the Suppliers capability to provide conforming materials and/or services to Sun-Glo.

6. SPECIAL QUALITY REQUIREMENTS

Special quality requirements are applicable to this Purchase Order. The Supplier shall comply with the requirements/specifications referenced on the Purchase Order.

7. NONCONFORMING MATERIAL

Nonconforming material may **NOT** be released to Sun-Glo without written approval **in advance** from the Sun-Glo. Failure to comply with this procedure **will** result in product being returned and/or reflected in your Quality rating.

NOTE: Nonconforming material must **not** be forwarded to Sun-Glo without first having submitted and received approval on a Material Variation Report. Failure to comply with this procedure may result in parts being returned and / or reflected in Quality ratings.

8. HANDLING, STORAGE AND DELIVERY

The Supplier shall assure that all deliverable products are properly packaged, identified and labeled. Supplier must strictly conform to packaging requirements identified on Purchase Order. The Supplier shall assure that all shipments are prepared and transported in accordance with purchase order requirements

SUPPLIERS RESPONSIBILITIES:

NOTE: ALL PAPERWORK REQUIRED BY SUN-GLO MUST BE RETURNED IN A TIMELY MANNER. THIS INCLUDES, BUT IS NOT LIMITED TO,

SUPPLIER QUALITY SYSTEM SURVEYS, WHICH ARE REQUIRED TO BE UPDATED EVERY THREE YEARS, SUPPLIER CORRECTIVE ACTION RESPONSES (SCAR) MUST BE RETURNED WITHIN 30 DAYS, CERTIFICATE OF COMPLIANCE (C OF C) MUST BE PROVIDED WITH EACH SHIPMENT AS APPLICABLE.

9. PRODUCT CHANGES

The Supplier is required to notify Sun-Glo of changes in product and/or process definition and, where required, obtain Sun-Glo approval. Supplier must notify Sun-Glo of any changes to their purchasing risks.

10. RIGHT OF ACCESS

Sun-Glo, their customers, and regulatory authorities has right of access to facilities involved in the order and to all applicable records.

11. SUB-TIER SUPPLIERS

The requirements for the supplier to flow-down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

12. The Supplier shall ensure that they are aware of – their contribution to product or service conformity, product safety and importance of ethical behavior.

SUPPLIER PERFORMANCE RATING

Supplier performance is evaluated periodically for their Quality and Delivery indices.

Quality must be maintained at a rating of no less than 90%

Delivery must be maintained at a rating of no less than 90%

Note: All references to the Due Date/Delivery Date shall be interpreted by the supplier as "At the Sun-Glo Dock", with all required paperwork. Unless otherwise stated on the Purchase Order, FOB is the Suppliers plant or dock. Sun-Glo will pay for all shipping costs, provided the supplier uses the "ship method" as stated on the Purchase Order. The supplier is to ensure there is sufficient time to ship the product via the method as prescribed by the Purchase Order. It is the Suppliers responsibility to notify the appropriate Sun-Glo buyer if any shipment will be delinquent to the Due Date/Delivery Date on the Purchase order. If a delivery becomes delinquent to the Due Date/Delivery Date, the Supplier may be required to ship the product to Sun-Glo via premium transportation at the Suppliers expense for the premium portion. If the premium portion is charged to Sun-Glo, this amount will be deducted from future invoice(s). The preferred method for charging shipping costs to Sun-Glo is "freight collect" as opposed to "prepay and add to invoice".