

QUATRO COMPOSITES AUTHORIZED SUPPLIER REQUIREMENTS

GENERAL

It will be required that your organization agrees to the requirements on this page to be considered as a supplier, any discrepancies or concerns must be communicated to the appropriate Purchasing agent at Quatro Composites.

Purchase orders will include all pertinent information or reference documentation required for your company to meet the expectations of the order. Any missing information must be communicated to Quatro prior to acknowledgement of the order.

QUALITY

Quatro Composites must be notified of non-conforming product prior to delivery. A Quatro SDNR (Supplier Discrepancy Notice Request) may be submitted to Quatro for approval. If a Discrepancy is discovered after shipping, Quatro Composites must be notified as soon as Discrepancy is discovered.

Quatro Composites will inspect product upon receipt at our facilities. Product must pass inspection prior to acceptance. Quatro will inspect 100% or follow a recognized inspection standard for incoming product.

The goal for supplier quality performance is zero (0) unacceptable parts unless otherwise agreed and documented, for each Item delivered, between Quatro Composites and Supplier. The Supplier will accept returns of material with proper approval (if required), for which they are the original source. Quatro Composites will document the reason for the return, which will physically accompany the shipment. Direct deductions for returns will be taken against open invoices for the amount of the rejected part, plus the freight cost. All returned items will be shipped on the Suppliers shipper number, and will be at no cost to Quatro Composites. If no open invoices exist, a refund via check may be requested. The Supplier will respond to written requests from Quatro Composites by providing documented plans and/or procedures for rework, repair and testing of defective returns, The Supplier will respond to written requests from Quatro Composites by providing documented corrective action plans to prevent future deviations from specification.

Quatro Composites may perform verification at the suppliers premises that subcontracted product meets requirements. These arrangements will be specifically detailed with the Purchase Order. Allowance of verification by the customer shall not be used by the organization as evidence of effective control of quality by the supplier and shall not absolve the organization of the responsibility to provide acceptable product, nor shall it precluded subsequent rejection by the customer. Right of Access by Quatro Composites, our customers, and regulatory authorities to all facilities involved in the order and to all applicable records shall be granted.

Quatro Composites requires a Certificate of Conformance for dimensional and cosmetic requirements, and Certificate of Compliance Certificates for Special Processes that have Accepted Standards with each shipment. Objective evidence of results must be supplied to Quatro upon request within 48 hours.

DELIVERY REQUIREMENTS

The goal for delivery performance on all Products is 100% on time. A shipment is on time if it arrives at its destination up to five (5) days prior to and zero (0) days after the promised Supplier delivery date. No shipment is considered on time unless it is complete as specified on the purchase order. In the event of late deliveries, the Supplier will notify Quatro Composites and if required provide a documented corrective action plan to assure future on time deliveries. On shipments that are beyond the Suppliers promised ship date, Quatro Composites reserves the right to request special freight for these shipments, with the Supplier only billing for normal regular freight charges,

ENGINEERING SPECIFICATIONS

The Supplier is responsible to assure that delivered items meet the requirements of the revisions and/or versions specified on the applicable purchase order. A complete specification on Items designed by Quatro Composites is available upon

request. The Supplier is responsible to resolve discrepancies between specifications and the documentation in their possession before items are manufactured.

Quatro may require that an approved special process provider be used. This will be specifically referred to on the Purchase Order.

Quatro must approve sub-tier contractors. Also all applicable requirements, including key characteristics, must be included in the purchasing documents to the sub-tier contractor.

PACKAGING/SHIPPING

The Supplier shall provide packaging and shipping methods so as to prevent mechanical and electrical damage to the end product. Packing list needs to show Purchase Order#, Part#, total# of articles shipped and shipment date must be affixed to the outside of the container. Unless disclosed and agreed to prior to submitting an order, no added packaging and handling charges will be paid by Quatro Composites,

CHANGE NOTIFICATION

Quatro Composites must be notified prior to any changes being made to your raw material, components, specifications, production processes, manufacturing equipment, manufacturing location, etc. which may effect the properties, quality, functionality or delivery of the product or material supplied to Quatro. At a minimum, the change notice must include Supplier's affected part#, date of implementation, serial number effectivity of the assembly that is changed, reason for the change and specific details of the change. This change notice must be sent to Quatro Composites a minimum of thirty (30) calendar days in advance of the proposed implementation date. Quatro Composites then has fifteen (15) days to respond to Supplier with approval of the change, disapproval of the change or a request for samples for evaluation (Delta FAI). A change cannot be implemented until Quatro Composites submits a written authorization to the Supplier.

COMPLIANCE

Where applicable, Supplier will maintain compliance to industry standards and product listings such as UL, CSA, IEC etc, for all Products delivered to Quatro Composites, Additionally, Supplier will maintain compliance with government regulations including reporting, record keeping, and production testing applicable to the manufacture of products delivered to Quatro Composites.

Quatro may audit or use a 3rd party auditor to audit the Supplier's quality system upon written advance notification:

Quatro, our customers, and regulatory authorities may have access to all applicable records, and to all facilities involved in the fulfillment of the purchase order.

RECORD RETENTION

Supplier shall maintain clear, accurate records of results of acceptance activities for each product delivered to Quatro Composites. These records shall include the test /inspection criteria, revision level of documents /equipment /software used, activities performed (planning, routing or traveler sheets), dates

of test / inspection, results and identification of the individual(s) conducting the activities. Where applicable these records should include a list of the equipment used for test /inspection, along with serial number identification if

applicable. The Supplier shall store all records retained for the Product, for a period of time equivalent to the design and expected life of the Product. In no case should this be less than 2 years from the date of release for commercial distribution by the Supplier.

LIMITED DISTRIBUTION

A receiving party will limit access to Proprietary Information (i.e. technical drawings) it receives to its employees who have a "need to know" the Proprietary Information for the purposes of the Program. A receiving party will copy Proprietary Information only as reasonably necessary for it to complete the purposes of this Agreement. In the event that a receiving party uses contract labor personnel in the operation of its business and the receiving needs to disclose the Proprietary Information on such contract labor personnel to prepare and submit a bid as permitted by this Agreement, the receiving party may disclose Proprietary Information to contract labor personnel, provided that the contract labor personnel are under an obligation to hold such information in confidence under terms and conditions at least as restrictive as the terms and conditions of this agreement.

PAYMENT TERMS

All payment terms are to be negotiated and agreed to prior to acceptance of any Quatro Composites orders. Unless otherwise agreed to, all prices are assumed to be USD currency. Should a Supplier accept a Quatro Composites purchase order without first agreeing to terms, Net 30 payment will be the assumed terms.