



ADVICS NORTH AMERICA, INC.
ADVICS MANUFACTURING INDIANA, L.L.C.
ADVICS MANUFACTURING OHIO, INC.
ADVICS MANUFACTURING GEORGIA, L.L.C.
ADVICS MANUFACTURING MEXICO, S. De R.L. De C.V

GENERAL TERMS AND CONDITIONS OF PURCHASE

QF-0007

Appendix B

Non-Conforming Parts or Non-Conforming Delivery Disposition
NQP/NDP

Category	Charges	Actions
Deviation	No charge 1st time occurrence	Supplier to send request for deviation to Q/E.
	\$500.00 for repeat occurrence of the same defect.	Q/E submits to D/E and if D/E approves, Q/E will send acceptance to supplier and any special instructions.
Rejection	\$500.00 disposition charge	Q/E issues NQP to supplier.
		Lot put on hold to be returned to supplier or scrapped at ADVICS
Sort	Supplier sorting expense	Q/E issues NQP to supplier. Q/E requests supplier to to supply or schedule personnel with temporary agency.
	(or) Temporary Rate - Full recovery of costs	
	(or) ADVICS = \$25.00/man hour	Q/E will advise supplier if ADVICS sort required due to production requirements prior to any sorting activity.
	and \$500.00 disposition charge	
Rework	Supplier re-work expense	Q/E will request supplier to complete any component re-work, or supplier to advise/arrange if they request re-work to be completed by temporary employees or ADVICS personnel.
	(or) Temporary Rate per Agency	
	(or) ADVICS rate = \$35.00/man hour	
	and \$500.00 disposition charge	
Concession	\$500.00 disposition	Q/E issues NQP to supplier. Q/E to submit request to D/E. If D/E accepts, parts approved.
Accumulation Scrap	Component cost	ADVICS operators collect accumulation scrap during normal production runs. Parts counted monthly and debited to supplier.
Line Down Rates	Hourly rates for delivery or quality issues resulting in line down time: \$500/HR Straight time \$750/HR Saturday Overtime \$1000/HR Sunday Overtime	QE or Production Control Specialist will issue NQP or NDP to Supplier. Rates will be issued via electronic NQP/NDP in the Administrative Cost Section to the supplier and adjusted with debit memo.

1. ADVICS Quality Engineers (Q/E) have final authority on component status. In the case of non-conforming material, they will follow the steps in the order defined above depending on part availability - Reject, Sort, Re-work, Concession. A diligent effort will be made to contact the supplier prior to the start of any sorting activity.
2. Only ADVICS personnel are authorized to sort/re-work finished assemblies and all charges will be debited per the ADVICS sort/re-work rates identified above.
3. The \$500.00 disposition charge is the maximum per lot. Example: If sort and re-work both used, the supplier will only be charged the \$500.00 disposition fee one time.
4. The supplier is responsible for any tooling damage which is caused by defective product and will be debited for the replacement tooling and labor (\$35.00/Hour).
5. Any other extraordinary charges which may occur as a result of parts not meeting print will be negotiated by purchasing and the supplier for final agreement.
6. D/E = Design Engineer
7. Q/E = Quality Engineer