

PURCHASE ORDER ATTACHMENT PT-003

REPAIR/REWORK ORDER INSTRUCTIONS

- I. Repair, for the purpose of this attachment, is defined as the subjection of nonconforming material to an approved (by Buyer) process designed to reduce but not completely eliminate the nonconformance. The purpose of a repair is to bring the nonconforming material into an acceptable condition.

Rework, for the purpose of this attachment, is defined as the reprocessing of nonconforming material to make it conform completely to the drawings, specifications, or contract requirements.

- II. Upon receipt for repair/rework of the material which is the subject of this order, Seller shall immediately acknowledge such receipt and report any evidence of damage in shipment. Seller is hereby authorized to inspect, disassemble, if necessary, and start repairs under conditions set forth below.
- III. No work beyond the inspection and disassembly noted above will be undertaken to repair material without express written approval from the Buyer. Rework of material may commence if the estimated rework charges will not exceed fifty percent (50%) of current replacement costs for a new item of the same description.
- IV. Seller will supply in writing, a complete failure analysis, suggested corrective action, estimated time for accomplishing necessary repair/rework and a firm price quotation for the repairs involved. The quotation will include a detailed cost breakdown including parts, labor hours and rates, overhead and profit. This quotation should be submitted promptly but must be submitted prior to incurring forty percent (40%) of estimated costs of the repair/rework. In addition to the repair/rework quotation, the Seller shall submit a firm price and delivery for furnishing a current replacement for each repair/rework item.
- V. In the event the Seller determines returned material, or any item thereof, if not repairable/reworkable, the Buyer shall be promptly notified and requested to furnish written disposition instructions.
- VI. Buyer, at its election, may terminate, in accordance with the General Terms and Conditions of Purchase of this order, any or all inspection or repair/rework activity, provided that all claims arising out of a termination for convenience shall be submitted to Buyer no later than three (3) months after the effective date of termination.
- VII. Upon agreement on the scope, pricing, delivery schedule and terms for the repair/rework proposed, Buyer will issue a formal confirming change to the order.
- VIII. Seller shall reference Buyer's packing sheet number and unit serial number, if applicable, on all documents, invoices, and Seller packing sheets or shippers.

END OF DOCUMENT

The text of this document shall not be changed except by written agreement between Buyer and Seller.