

JOHNSON SUPPLY COMPANY 50 South "E" Street Pensacola, FL 32502	Phone: (850) 434-7103
	Fax: (850) 434-5647

PURCHASE ORDER REQUIREMENTS: QUALITY CLAUSES

QUALITY SYSTEM

1. Quality System:

Sellers' quality system is subject to review and approval by Johnson Supply Company during the Purchase Order contract duration. The Buyer prefers that the Seller maintains a quality system compliant with ISO 9001:2000 or higher and that the Seller has attained third party approval. Compliance with the following Quality Requirements shall not preclude subsequent rejection until Seller provides acceptable product.

2. Right of Access:

All items on the Purchase Order are subject to surveillance at the Seller's facility, including facilities, equipment, personnel, product, procedures, systems and records. Seller grants right of access to Johnson Supply Company personnel, or their representative, Johnson Supply Company's customer and regulatory authorities to all facilities involved in the order and to all applicable records

3. Definitions:

Quality record – Document and / or data that demonstrate conformance to specified requirements, and / or verify effective operation of the quality system. [i.e. certificate of conformance / compliance; test reports; etc.]

Buyer = Johnson Supply Company

Seller = Supplier = Vendor

Certificate of conformance /Certificate of compliance (See 12) is an affidavit declaring all characteristics of the material / equipment conform to the stated requirements stated in Buyers Purchase Order document.

Test Report is a detailed breakdown of the material properties.

Delivery -- Johnson Supply Company requested delivery date = dock received date

PURCHASE ORDER RECEIPTS

4. Order Confirmation:

Orders should be acknowledged by Seller within 48 hours from receipt. All confirmations must be in written form and may be transmitted by fax or email. All confirmations must include acknowledgement of material to be purchased, quantities, prices, required delivery dates and any specifications or special instructions

5. Discrepancies:

The Supplier should notify the Buyer (in writing) of any quantity discrepancy, prior to acceptance of the order or shipping of the material

6. Shelf life:

A minimum of 75% shelf life is required upon delivery of all age sensitive material, unless otherwise approved by the buyer

7. Flow-down requirements:

Seller is required to flow down all applicable requirements in the purchasing documents, including key characteristics where required, to sub tier suppliers.

PRODUCT PROVISION

8. Nonconforming material:

When it is known to Seller that material does not conform to Buyers Purchase Order requirements, Seller is required to contact Buyer for approval prior to delivery.

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9. Corrective Action

Material arriving that does not meet the Purchase Order requirements (material condition, documentation, on-time delivery, etc.) will be subject to a Supplier Corrective Action Request (SCAR). The Seller will be required to supply the root cause(s) for the noncomplying condition and document necessary corrective actions to prevent future deliveries of nonconforming product.

10. Foreign Object Damage:

Seller shall maintain a program to control foreign object damage or contamination during manufacturing, assembling, inspection, storage and shipment.

11. Counterfeit Materials

Seller shall maintain a program to control the supplying of counterfeit products.

PRODUCT DELIVERY

12. Traceability - Certificates of Conformance / Compliance / Analysis:

- a) When noted on a Purchase Order, certificates of conformance / compliance / analysis and material safety data sheets are required to be shipped with orders. All certifications, as a minimum, will require the following:
 - Item name,
 - Lot or batch number,
 - Date of manufacture, and
 - Date of expiration or shelf life statement.
- b) Specifications, when identified in the Purchase Order, must be included on the certification.
- c) If required by the Purchase Order, original manufacturer's certifications must be provided.

13. Product Acceptability

Material arriving that does not comply with Purchase Order requirements, including required documentation, quantity, physical condition, etc., will not be received into inventory and payment of seller's invoice will be delayed until all outstanding issues have been resolved. **CONTINUED OCCURRENCES MAY RESULT IN AN ADDITIONAL CHARGE OF \$50 FOR THE FIRST OCCURRENCE AND \$100 FOR EACH SUBSEQUENT OCCURRENCE.**

14. Terms:

As specified on order, unless otherwise arranged by the Seller and Buyer. All COD shipments require an invoice to be faxed or emailed to the buyer with correct value of order, prior to shipping.

15. Tax:

Items purchased under this purchase order by Johnson Supply Company are for resale and as such are not subject to Florida State and local sales tax.

16. Shipping:

The order should be shipped as specified with our forwarder of choice, unless otherwise agreed. If the Seller is unable to use the forwarder requested, please contact the buyer for alternate choice. Seller's failure to comply with these routing instructions may result in Seller liability for excess and/or reversal of freight charges or the right to debit seller account including a \$100 administrative expense

17. Records:

All quality records created and / or retained by seller, shall be legible, stored and retained in a suitable environment to prevent damage, deterioration or loss. Quality records shall be retained by the seller for a minimum of seven years, unless otherwise specified. Records shall be available for review by Johnson Supply Company, their customers and regulatory authorities in accordance with contract or regulatory requirements.