

Standard Clause 37-17 - ELECTRIC BOAT CORPORATION DELEGATED INSPECTION

Material on this Purchase Order is subject to inspection at your plant by a Supplier Quality Assurance delegate who is approved by the buyer.

This clause applies only to those items in this Purchase Order that invoke a receiving inspection code. Material designated as Nuclear is not authorized in this delegated inspection program.

The buyer's approved delegate shall be responsible for the adequacy and accuracy of all inspections and shall be the signatory of all inspection documentation. Additionally, the delegate shall review all documentation pertaining to the hardware on this Purchase Order for completeness and conformance to the Purchase Order requirements and sign/date the same. Failure of the buyer to inspect these items shall not limit any of the rights of the buyer as included elsewhere in this Purchase Order to recover damages from the seller for supply of defective goods.

The buyer's inspection program shall consist of periodic audits of the seller's conformance to the buyer's Purchase Order requirements and the seller's Quality Assurance System as it pertains to the buyer's. These audits shall be performed at the seller's facilities and at those of seller's subcontractors and suppliers. The buyer reserves the right to enter the seller's facilities at any time, without notice, for the purpose of performing said audits. A notice of one working day will be given in advance of audits performed at the facilities of the seller's subcontractors and suppliers.

This delegated inspection program is subject to termination with minimum notice for the following reasons:

- 1) Mutual agreement;

- 2) Unacceptable quality performance or problems experienced by the buyer subsequent to hardware delivery;
- 3) Failure of the seller to provide adequate program support.