

VENDOR INSPECTION SYSTEM

THIS STANDARD CLAUSE IS IN THREE (3) PARTS.
PART I IS APPLICABLE TO MANUFACTURERS.
PART II IS APPLICABLE ONLY TO DISTRIBUTORS.
PART III IS AN OPTION AVAILABLE TO PART I OR PART II
SUPPLIERS.

THE SELLER IS RESPONSIBLE TO ENSURE THAT THE INSPECTION SYSTEM
EMPLOYED
COMPLIES TO PART I, II, OR III, AS APPROPRIATE.

--- PART I, VENDOR INSPECTION SYSTEM: MIL-I-45208A AM 2 ---

ALL MATERIAL DELIVERED ON THIS ORDER MUST BE PRODUCED WITHIN
AN
INSPECTION SYSTEM THAT COMPLIES WITH MIL-I-45208A AM 2.
A QUALITY CONTROL PROGRAM MEETING MIL-Q-9858A AM 2 WILL BE
CONSIDERED COMPLIANT WITH MIL-I-45208A AM 2.
THE QUALITY CONTROL SYSTEM/PROGRAM IS SUBJECT TO REVIEW BY THE
GOVERNMENT
AND/OR THE BUYER.

--- PART II, QUALITY PROGRAM REQUIREMENTS FOR DISTRIBUTORS ---

THE FOLLOWING GUIDELINES REFLECT THE REQUIREMENTS INVOKED BY
BUYERS QUALITY PROCUREMENT PROGRAM AS APPLIED TO A
DISTRIBUTOR.
ADDITIONALLY, THE DISTRIBUTOR IS TO USE THESE GUIDELINES TO
ASSURE THAT SUBTIER SUPPLIERS ARE FULFILLING THE REQUIREMENTS
OF
MIL-I-45208A AM 1.

1. THE MATERIALS AND SERVICES PRODUCED UNDER THE SCOPE OF THE
PURCHASE ORDER MUST CONFORM TO THE REQUIREMENTS CONTAINED
IN THESE GUIDELINES AND ANY APPENDICES INVOKED BY THE PURCHASE
ORDER.

2. THE LIMITED REQUIREMENTS OF THESE GUIDELINES SHALL BE
APPLICABLE TO YOU AS A DISTRIBUTOR. THE MORE STRINGENT
REQUIREMENTS INVOKED BY MIL-I-45208A AM 1 SHALL BE CONSIDERED
APPLICABLE TO THE ACTUAL MANUFACTURER OR MATERIAL PROCESSOR.
MIL-I-45208A AM 1 SHALL BE INVOKED ON YOUR PURCHASE ORDERS TO
SUBTIER MANUFACTURERS OR MATERIAL PROCESSORS FOR MATERIALS
SUPPLIED TO THE BUYER.

3. ALL COMMUNICATIONS RELATED TO THESE GUIDELINES SHALL BE

DIRECTED TO THE PURCHASING DEPARTMENT OF THE BUYER.

4. YOUR QUALITY SYSTEM IS SUBJECT TO ON-SITE EVALUATIONS BY THE BUYERS PERSONNEL. THIS EVALUATION WILL CONSIST OF AN ANALYSIS OF YOUR QUALITY PLANS, QUALITY MANUAL, AND PROCEDURES, ACTUAL PRACTICES, AND A SURVEY OF YOUR FACILITIES. EVALUATION MAY ALSO INCLUDE VERIFICATION OF THE IMPLEMENTATION AND EFFECTIVENESS OF CORRECTIVE AND PREVENTIVE ACTIONS.
5. ALTHOUGH YOU HAVE THE PRIMARY RESPONSIBILITY FOR ASSURING PRODUCT QUALITY AND MAINTAINING ADEQUATE CONTROL OF YOUR SUPPLIERS, YOUR SUPPLIERS QUALITY SYSTEMS ARE ALSO SUBJECT TO ON-SITE SURVEY BY THE BUYERS PERSONNEL. NORMALLY SUCH SURVEYS WILL BE CONDUCTED IN THE PRESENCE OF YOUR REPRESENTATIVE.
6. YOU SHALL IMPLEMENT AND MAINTAIN A QUALITY SYSTEM CAPABLE OF ASSURING THAT ALL FURNISHED ITEMS, MATERIAL, SUPPLIES AND SERVICES CONFORM TO ALL PURCHASE ORDER REQUIREMENTS. IF YOU MAKE USE OF MEASURING OR TEST EQUIPMENT DURING YOUR PRODUCT VERIFICATION PROGRAM, YOU SHALL PROVIDE FOR A MEANS OF CALIBRATION EQUIVALENT TO MIL-STD-45662 FOR ALL SUCH EQUIPMENT, AT ESTABLISHED INTERVALS AGAINST CERTIFIED STANDARDS TRACEABLE TO NATIONAL STANDARDS.
7. YOUR QUALITY SYSTEM SHALL BE DOCUMENTED AND SHALL BE AVAILABLE FOR REVIEW BY THE BUYER. THE QUALITY SYSTEM SHALL CONSIST OF COMPILATION OF YOUR PROCEDURES AND WORK INSTRUCTIONS, WHICH IMPLEMENT THE REQUIREMENTS OF THESE GUIDELINES. YOU SHALL RETAIN SUCH DOCUMENTATION AS RECORDS OF YOUR QUALITY SYSTEM AS REQUIRED ELSEWHERE IN THIS PURCHASE ORDER.
8. YOU MAY BE REQUIRED TO SUPPLY STATEMENTS OF CORRECTIVE ACTION AND PREVENTIVE ACTION RELATED TO NONCONFORMING MATERIALS OR QUALITY SYSTEM DEFICIENCIES. IN SUCH CASES, YOUR STATEMENTS ARE SUBJECT TO EVALUATION AND VERIFICATION BY THE BUYER.
9. THE PURCHASE ORDER MAY REQUIRE YOU TO FURNISH OBJECTIVE QUALITY EVIDENCE TO SUBSTANTIATE ITEM OR MATERIAL QUALITY. THIS OBJECTIVE QUALITY EVIDENCE MAY CONSIST OF MILL TEST

RECORDS, INSPECTION AND/OR TEST RECORDS. SAID OBJECTIVE QUALITY

EVIDENCE MAY BE REVIEWED AT YOUR FACILITY OR CERTAIN SELECTED

DATA ITEMS MAY BE REQUIRED TO BE FORWARDED TO THE BUYER BY OTHER PROVISIONS OF THE PURCHASE ORDER. WHEN THE MATERIAL IS SHIPPED FROM YOUR FACILITY, YOU SHALL REVIEW FOR ADEQUACY AND OBJECTIVE QUALITY EVIDENCE OBTAINED FROM YOUR SUPPLIERS, BEFORE IT IS FORWARDED TO THE BUYER. WHEN MATERIAL IS DROP SHIPPED FROM YOUR SUPPLIER, YOU SHALL MAINTAIN SURVEILLANCE OVER THE OBJECTIVE QUALITY EVIDENCE TO THE BUYER.

10. YOU SHALL ENSURE THAT ALL MATERIALS PROCURED FROM YOUR SUPPLIERS MEET THE REQUIREMENTS OF THIS PURCHASE ORDER. THE METHODS USED BY YOU TO FULFILL THIS RESPONSIBILITY SHALL

BE DOCUMENTED AS PART OF YOUR QUALITY SYSTEM.

11. YOU SHALL PREPARE PROCEDURES FOR THE IDENTIFICATION AND CONTROL OF NONCONFORMING MATERIALS. SUCH MATERIALS SHALL BE

DIVERTED FROM NORMAL MATERIAL MOVEMENT CHANNELS. ALL NON CONFORMING AND DISCREPANT MATERIAL SHALL BE ADEQUATELY IDENTIFIED AND EVERY PRECAUTION TAKEN TO PRECLUDE ITS USE UNTIL DISPOSTION.

12. ALL MATERIAL SUPPLIED UNDER THIS ORDER IS SUBJECT TO INSPECTION UPON RECEIPT AT THE BUYERS FACILITIES (OR AT PLACES OTHERWISE DESIGNATED) BY THE BUYER OR OUR AGENT AND BY THE GOVERMENT WHEN SO SPECIFIED. WHEN REJECTION OF ITEMS OR MATERIAL ON THIS ORDER OCCURS, EITHER AS A RESULT OF 100 PERCENT

INSPECTION OR STATISTICAL SAMPLING INSPECTION, INSPECTION MAY BE DISCONTINUED AND THE MATERIAL RETURNED TO YOU FOR CORRECTIVE ACTION. YOU ARE CAUTIONED IN SUCH CASES, NOT ONLY TO CORRECT CITED DISCREPANCIES, BUT TO PERFORM SUCH ADDITIONAL

INSPECTION AND TESTS AS MAY BE REQUIRED TO PRECLUDE FUTURE REJECTIONS FOR OTHER CAUSES.

13. YOU SHALL MAINTAIN OR HAVE MAINTAINED BY SUB-SUPPLIERS ALL TEST AND INSPECTION RECORDS, INCLUDING ALL REPORTS OF NON CONFORMANCES, APPLICABLE TO MATERIAL SUPPLIED TO THE BUYER. THESE RECORDS SHALL INCLUDE VERIFICATION THAT ALL REQUIRED INSPECTIONS AND TESTS HAVE BEEN ACCOMPLISHED WITH THE SATISFACTORY RESULTS BY A QUALIFIED INDIVIDUAL. THESE RECORDS SHALL BE KEPT FOR A PERIOD OF SEVEN

YEARS AFTER COMPLETION OF THIS PURCHASE ORDER AND SHALL BE MADE AVAILABLE TO THE BUYER WITHIN 36 HOURS UPON REQUEST.

--- PART 3 OPTIONAL USE OF ISO QUALITY MANAGEMENT SYSTEMS ---

AT THE SUPPLIER'S OPTION, THE 1994 REVISION OF ISO 9001 OR 9002, OR THE 2000, 2008, OR 2015 REVISIONS OF ISO 9001 MAY BE UTILIZED IN LIEU OF MIL-Q-9858A AM2, SUBJECT TO THE FOLLOWING ADDITIONAL REQUIREMENTS.

SUPPLEMENT TO ISO 9000 (ANSI/ISO/ASQ Q9000) QUALITY SYSTEMS FOR CRITICAL AND/OR COMPLEX PROCUREMENTS

THE ORGANIZATION SHALL ESTABLISH AND MAINTAIN A QUALITY ASSURANCE PROGRAM IN ACCORDANCE WITH ISO 9000:1994 (ANSI/ISO/ASQ Q9000) QUALITY SYSTEMS MODELS OR ISO 9001:2000/2008/2015 (ANSI/ISO/ASQ Q9001) QUALITY MANAGEMENT SYSTEMS AS MODIFIED AND AMENDED HEREIN WHICH SHALL APPLY ON CONTRACTS INVOKING THIS DOCUMENT.

PARAGRAPH REFERENCES CORRESPOND TO THE 1994 REVISIONS OF ISO 9001 AND ISO 9002 (ANSI/ISO/ASQ Q9001/9002) OR THE 2000/2008/2015 REVISION OF ISO 9001 (ANSI/ISO/ASQ Q9001). THIS HAS BEEN DONE AS A CONVENIENCE ONLY AND THE ISSUING AGENCY ASSUMES NO LIABILITY WHATSOEVER FOR ANY INACCURACIES IN THESE NOTATIONS.

TO SUPPORT THE PREFERRED IMPLEMENTATION OF ISO 9001:2000/2008/2015, THE TERMINOLOGY USED TO DESCRIBE THE SUPPLY CHAIN IN ISO 9001:2000/2008/2015 HAS BEEN INCORPORATED HEREIN.

WHEN THE 1994 VERSION IS APPLIED, REPLACE "ORGANIZATION" WITH "SUPPLIER" AND "SUPPLIER" WITH "SUBCONTRACTOR."

WHEN THE 2015 VERSION IS APPLIED REPLACE "SUPPLIER" WITH "EXTERNAL PROVIDER."

WHEN THE 2015 VERSION IS APPLIED, THE TERM "DOCUMENTED INFORMATION" REFERS TO DOCUMENTATION, QUALITY MANUAL, DOCUMENTED PROCEDURES, AND RECORDS.

1. ORGANIZATION QUALITY SYSTEM

A.

1994 - ADD TO QUALITY SYSTEM - GENERAL: PARAGRAPH 4.2.1
2000

2008 - ADD TO QUALITY MANAGEMENT SYSTEM - GENERAL
REQUIREMENTS:

PARAGRAPH 4.1

2015 - ADD TO CONTEXT OF THE ORGANIZATION- QUALITY MANAGEMENT

SYSTEM AND ITS PROCESSES: PARAGRAPH 4.4

THE ORGANIZATION SHALL PROVIDE AND MAINTAIN A QUALITY ASSURANCE PROGRAM THAT ENSURES THAT THE PRODUCT MEETS THE CONTRACT REQUIREMENTS AND THAT IS ACCEPTABLE TO CUSTOMER AND GOVERNMENT. THE ORGANIZATION SHALL NOTIFY THE CUSTOMER IN WRITING OF ANY CHANGE, OTHER THAN EDITORIAL, TO THE QUALITY MANUAL.

2. COORDINATED GOVERNMENT/ORGANIZATION ACTIONS AND USE OF ORGANIZATION INSPECTION FACILITIES

A.

- 1994 - ADD TO PURCHASING DATA: PARAGRAPH 4.6.3
- 2000
- 2008 - ADD TO PURCHASING INFORMATION: PARAGRAPH 7.4.2
- 2015 - ADD TO INFORMATION FOR EXTERNAL PROVIDERS: PARAGRAPH 8.4.

WHEN, UNDER AUTHORIZATION OF THE GOVERNMENT REPRESENTATIVE, COPIES OF THE PURCHASING DOCUMENT ARE TO BE FURNISHED DIRECTLY BY THE SUPPLIER OR ORGANIZATION TO THE GOVERNMENT REPRESENTATIVE AT HIS FACILITY RATHER THAN THROUGH GOVERNMENT CHANNELS, THE ORGANIZATION SHALL ADD TO HIS PURCHASING DOCUMENT A STATEMENT SUBSTANTIALLY AS FOLLOWS:

"ON RECEIPT OF THIS ORDER, PROMPTLY FURNISH A COPY TO THE GOVERNMENT REPRESENTATIVE WHO NORMALLY SERVICES YOUR PLANT. IN THE EVENT THE REPRESENTATIVE OR OFFICE CANNOT BE LOCATED, OUR PURCHASING AGENT SHOULD BE NOTIFIED IMMEDIATELY."

ALL DOCUMENTS AND REFERENCED DATA FOR PURCHASES APPLYING TO A GOVERNMENT CONTRACT SHALL BE AVAILABLE FOR REVIEW BY THE GOVERNMENT REPRESENTATIVE TO DETERMINE COMPLIANCE WITH THE REQUIREMENTS FOR CONTROL OF SUCH PURCHASES. COPIES OF PURCHASING DOCUMENTS REQUIRED FOR GOVERNMENT INSPECTION PURPOSES SHALL BE FURNISHED IN ACCORDANCE WITH THE INSTRUCTIONS OF THE GOVERNMENT REPRESENTATIVE.

B.

- 1994 - ADD TO RECEIVING INSPECTION AND TESTING: PARAGRAPH 4.10.2.1
- 2000
- 2008 - ADD TO VERIFICATION OF PURCHASED PRODUCT: PARAGRAPH 7.4.3
- 2015 - ADD TO TYPE AND EXTENT OF CONTROL: PARAGRAPH 8.4.2

THE ORGANIZATION SHALL MAKE AVAILABLE TO THE GOVERNMENT REPRESENTATIVE REPORTS OF ANY NONCONFORMANCE FOUND ON GOVERNMENT SOURCE-INSPECTED SUPPLIES AND SHALL (WHEN REQUESTED) REQUIRE HIS SUPPLIERS TO COORDINATE WITH HIS GOVERNMENT REPRESENTATIVE ON CORRECTIVE ACTION.

C.

1994 - ADD TO INSPECTION AND TESTING - GENERAL: PARAGRAPH 4.10.1

2000

2008 - ADD TO MONITORING AND MEASUREMENT OF PRODUCT:
PARAGRAPH 8.2.4

2015 - ADD TO RELEASE OF PRODUCTS AND SERVICES: PARAGRAPH 8.6

WHEN REQUIRED, THE ORGANIZATION'S MEASURING AND TESTING EQUIPMENT SHALL BE MADE AVAILABLE FOR USE BY THE GOVERNMENT REPRESENTATIVE TO DETERMINE CONFORMANCE OF PRODUCT WITH CONTRACT REQUIREMENTS. IN ADDITION, IF CONDITIONS WARRANT, ORGANIZATIONS PERSONNEL SHALL BE MADE AVAILABLE FOR OPERATION OF SUCH DEVICES AND FOR VERIFICATION OF THEIR ACCURACY AND CONDITION.

THE ORGANIZATION SHALL REPEAT ANY MEASUREMENT OR TEST THAT THE CUSTOMER, OR GOVERNMENT REPRESENTATIVE WHEN GOVERNMENT SOURCE INSPECTION IS REQUIRED, MAY REASONABLY REQUEST TO SUBSTANTIATE THAT THE ORDER REQUIREMENTS ARE MET.

3. INDEPENDENCE OF INSPECTION AND TEST PERSONNEL

A.

1994 - ADD TO RESOURCES: PARAGRAPH 4.1.2.2

2000

2008 - ADD TO HUMAN RESOURCES- GENERAL: PARAGRAPH 6.2.1

2015 - ADD TO COMPETENCE: PARAGRAPH 7.2

UNLESS OTHERWISE SPECIFIED, CONTRACTUALLY REQUIRED INSPECTIONS AND TESTS SHALL BE PERFORMED BY A QUALIFIED PERSON(S) OTHER THAN THE PERSON(S) WHO PERFORMED THE WORK BEING INSPECTED OR TESTED.

B.

1994 - ADD TO TRAINING: PARAGRAPH 4.18

2000

2008 - ADD TO COMPETENCE, AWARENESS AND TRAINING: PARAGRAPH 6.2.2

2015 - ADD TO COMPETENCE: PARAGRAPH 7.2

PERFORMANCE OF QUALIFIED INSPECTION AND TEST PERSONNEL WILL BE PERIODICALLY ASSESSED BY THE ORGANIZATION. APPROPRIATE RECORDS OF QUALIFICATIONS AND PERIODIC ASSESSMENTS SHALL BE MAINTAINED.

4. RECORDS

A.

1994 - ADD TO CONTROL OF QUALITY RECORDS: PARAGRAPH 4.16
2000

2008 - ADD TO MONITORING AND MEASUREMENT OF PRODUCT:
PARAGRAPH 8.2.4

2015 - ADD TO RELEASE OF PRODUCTS AND SERVICES: PARAGRAPH 8.6

ALL RECORDS OF CONTRACTUALLY REQUIRED INSPECTION AND TEST OPERATIONS, AND THOSE RECORDS OF MANUFACTURING AND ASSEMBLY OPERATIONS CRITICAL TO SAFETY, FUNCTION, RELIABILITY OR INTERCHANGEABILITY OF THE COMPONENT, SHALL BE SIGNED OFF BY THE INDIVIDUAL COMPLETING THE OPERATION. THE SIGNATURE SHALL DENOTE CERTIFICATION THAT THE OPERATION HAS BEEN COMPLETED. THE OPERATION BEING SIGNED FOR SHALL BE CLEARLY IDENTIFIED. WHEN IT IS NOT PRACTICAL FOR THE INDIVIDUAL COMPLETING THE FINAL STEP OF THE OPERATION TO SIGN, A SUPERVISOR MAY SIGN IF, AT THE TIME OF SIGNATURE, THERE IS OBJECTIVE EVIDENCE TO SUBSTANTIATE THAT THE OPERATION HAS BEEN COMPLETED. THE SIGN-OFF SHOULD BE PERFORMED USING A PERMANENT, LEGIBLE SIGNATURE OR UNIQUE, PROTECTED IDENTIFIER TRACEABLE TO THAT INDIVIDUAL. PROTECTION FROM UNAUTHORIZED CHANGES OF RECORDED DATA SHALL BE PROVIDED. GUIDELINES FOR USE OF ELECTRONIC SIGNATURES, WHEN USED, ARE IDENTIFIED IN ADDENDUM (1). THE ORGANIZATION SHALL DOCUMENT HOW THIS REQUIREMENT IS IMPLEMENTED.

5. QUALITY AUDITS

A.

1994 - ADD TO INTERNAL QUALITY AUDITS: PARAGRAPH 4,17
2000

2008 - ADD TO INTERNAL AUDIT: PARAGRAPH 8.2.2

2015 - ADD TO INTERNAL AUDIT: PARAGRAPH 9.2

THE ORGANIZATION SHALL PERFORM PERIODIC, INDEPENDENT REINSPECTION AND RETEST OF PRODUCT PREVIOUSLY INSPECTED AND/OR TESTED, TO CONFIRM THE ACCEPTABILITY OF THE PREVIOUS INSPECTION AND TEST RESULTS.

6. INTERPRETATION OF LIMITS

A.

1994 - ADD TO QUALITY PLANNING: PARAGRAPH 4.2.3

2000

2008 - ADD TO PLANNING OF PRODUCT REALIZATION: PARAGRAPH 7.1

2015 - ADD TO OPERATIONAL PLANNING AND CONTROL: PARAGRAPH 8.1

WHERE NOT OTHERWISE CONTRACTUALLY INVOKED, ALL SPECIFIED LIMITS FOR MACHINING SERVICES AND FOR DIMENSIONAL CONTROL OF DELIVERABLE PARTS AND ASSEMBLIES SHALL BE INTERPRETED AS ABSOLUTE LIMITS AS DEFINED BY ASTM E29, STANDARD PRACTICE FOR USING SIGNIFICANT DIGITS IN TEST DATA TO DETERMINE COMPLIANCE WITH SPECIFICATIONS. UNLESS OTHERWISE SPECIFIED IN THE CONTRACT, FOR ALL OTHER OBSERVED, MEASURED OR CALCULATED PRODUCT CHARACTERISTICS (E.G. FOR MATERIAL SUPPLIERS, MATERIAL DISTRIBUTORS, SERVICES OTHER THAN MACHINING) SPECIFIED LIMITS SHALL BE INTERPRETED USING ROUND-OFF METHOD AS DEFINED BY ASTM E29.

7. NDT PROGRAM REQUIREMENTS

A.

1994 - ADD VERIFICATION OF NONDESTRUCTIVE TESTING: PARAGRAPH 4.6.4.3

2000

2008 - ADD TO VERIFICATION OF PURCHASED PRODUCT: PARAGRAPH 7.4.3

2015 - ADD TO TYPE AND EXTENT OF CONTROL: PARAGRAPH 8.4.2

THE ORGANIZATION SHALL ENSURE THE ADEQUACY OF ALL SUBCONTRACTED NONDESTRUCTIVE TESTING BY USING A QUALIFIED TEST EXAMINER OR SIMILARLY SKILLED INDIVIDUAL, OR BY USING VENDORS WHO HAVE DEMONSTRATED ACCEPTABLE PERFORMANCE, OR BY ALTERNATE METHODS AGREED TO BY THE CUSTOMER.

8. DOCUMENTED INFORMATION

A. 2015- ADD TO DOCUMENTED INFORMATION- GENERAL: PARAGRAPH 7.5.1

THE ORGANIZATION SHALL CREATE A DOCUMENTED PROCEDURE TO DEFINE THE CONTROL(S) NEEDED FOR NNPP DOCUMENTED INFORMATION.

B. 2015- ADD TO MANAGEMENT REVIEW INPUTS: PARAGRAPH 9.3.2

THE ORGANIZATION SHALL RETAIN THE MANAGEMENT REVIEW INPUTS AS DOCUMENTED INFORMATION.

9. CORRECTIVE ACTIONS

A. 2015 - ADD TO MONITORING, MEASUREMENT, ANALYSIS AND EVALUATION-

GENERAL: PARAGRAPH 9.1.1

THE ORGANIZATION SHALL TAKE CORRECTIVE ACTION AS APPROPRIATE WHEN PLANNED RESULTS ARE NOT ACHIEVED.

B. 2015 - ADD TO NONCONFORMITY AND CORRECTIVE ACTION:
PARAGRAPH 10.2

THE ORGANIZATION SHALL CREATE A DOCUMENTED PROCEDURE FOR REACTING TO NONCONFORMITIES INCLUDING IDENTIFYING THE NONCONFORMITIES, DETERMINING THE CAUSES OF THE NONCONFORMITIES, EVALUATING THE NEED FOR ACTIONS TO PREVENT REOCCURRENCE OF THE NONCONFORMITIES, IMPLEMENTING THE REQUIRED ACTIONS TO CORRECT THE NONCONFORMITIES, REVIEWING THE EFFECTIVENESS OF THE CORRECTIVE ACTION TAKEN TO PREVENT REOCCURRENCE OF THE NONCONFORMANCES, UPDATING RISKS AND OPPORTUNITIES AS NECESSARY, AND MAKING CHANGES TO THE QUALITY MANAGEMENT SYSTEM AS NECESSARY.

10. ELECTRONIC SIGNATURE GUIDELINES

WHERE SIGNATURES ARE REQUIRED BY CONTRACT AND WILL BE PROVIDED ELECTRONICALLY, THE FOLLOWING GUIDELINES SHOULD BE USED:

1. DEFINITIONS

1.1 ELECTRONIC SIGNATURE - THE ELECTRONIC SIGNATURE IS EQUIVALENT TO A PERSONS HANDWRITTEN SIGNATURE. IT INDICATES APPROVAL OR CERTIFICATION OF INFORMATION OR ACTION(S) IN THE SAME MANNER AS PEN-AND-INK SIGNATURE.

1.2 ELECTRONIC IDENTIFICATION - THE ELECTRONIC IDENTIFICATION IS AN ELECTRONIC MEANS OF IDENTIFYING A SIGNER OF AN ELECTRONIC RECORD, DOCUMENT TRANSACTION, OR INSTRUMENT. IT IS UNIQUE AND ATTRIBUTABLE TO ONLY ONE PERSON. EXAMPLES OF VARIOUS ELECTRONIC IDENTIFICATIONS INCLUDE BUT ARE NOT LIMITED TO, AN IDENTIFYING KEYSTROKE, A PASSWORD, A PERSONAL IDENTIFICATION NUMBER (PIN), OR A TOKEN OR MAGNETIC KEY.

2. ELECTRONIC SIGNATURE PROCESS CONTROLS - THE CONTROLS FOR THE ELECTRONIC SIGNATURE PROCESS SHOULD PROVIDE:

- (A) THE SIGNER TO TAKE A DISTINCT ACTION TO "SIGN" ELECTRONICALLY
- (B) A MEANS TO DELEGATE SIGNATURE AUTHORITY WHICH ALLOWS THE DELEGATED INDIVIDUAL TO UTILIZE THEIR OWN ELECTRONIC IDENTIFICATION (I.E., INTEGRITY OF EACH PERSONS ELECTRONIC SIGNATURE MUST BE PRESERVED.)
- (C) A MEANS TO IDENTIFY THE ELECTRONIC SIGNER BY NAME ON THE ELECTRONIC OR PAPER VERSION OF THE DOCUMENT AND BE MAINTAINED FOR THE RETENTION LIFE OF THE ELECTRONIC RECORD.
- (D) PREVENTION OF UNAUTHORIZED ACCESS TO ELECTRONIC IDENTIFICATIONS.
- (E) AN ESTABLISHED PASSWORD POLICY TO CHANGE ELECTRONIC IDENTIFICATION AND NOT SHARE ELECTRONIC IDENTIFICATION.
- (F) REVIEWS TO ENSURE PROPER USE OF ELECTRONIC SIGNATURES.
- (G) A MEANS TO IDENTIFY AN ELECTRONIC SIGNATURE ON A RECORD AS AN ELECTRONIC SIGNATURE.

3. ELECTRONIC IDENTIFICATION/AUTHENTICATION - ONE METHOD OF AUTHENTICATION IS REQUIRED TO BE PROVIDED AT THE TIME OF SIGNATURE. THE AUTHENTICATION METHOD MUST BE BASED ON SOMETHING KNOWN ONLY TO THE SIGNER (E.G., A PASSWORD) OR BASED ON SOMETHING ONLY THE SIGNER POSSESSES (E.G., A CARD OR OTHER DEVICE).