



Q613 Nonconforming and Noncompliant Material (Rev 01/08/18)

The Seller shall develop, implement, and maintain a nonconforming material management system. The system shall be used for positively controlling nonconforming material and shall be used for tracking, analyzing to determine root cause, and assuring effective corrective/preventive action implementation.

No Material Review Authority (MRA) is delegated to Seller or its subcontractors. Seller and all sub-tier suppliers are not authorized to disposition nonconforming or non-compliant material produced under this Agreement "Use As Is" or "Repair."

Seller is not authorized to rework material unless the rework is performed in accordance with a GD-OTS, approved rework procedure. Approval is dependent on evidence of a previously validated rework process or will require a new process validation. Reworked material shall be restored to design conformance. Each shipment shall include records of reworked material contained within the shipment.

"Use As Is" and "Repair" dispositions require approval from GD-OTS, Inc. prior to implementation. Seller is not authorized to retest material without prior GD-OTS, Inc. approval.

Seller shall flow the substance of this clause to its subcontractors, including this sentence, changing the relationship of the parties as appropriate to preserve the intent of the words.