



Fees for Supplier Responsible Non-Conformances

- Nonconformance Report (SCAR) costs \$100/occurrence
- Sorting, rework and/or handling fees at SMI associated with non-conforming components or assemblies \$50.00/hour/associate
- Reimbursement of initial shipping costs and replacement part expedite charges At actual
- Reimbursement of SMI customers' charges for SCAR processing fees, and customer or third-party labor/rework charges At actual
- PPAP submission rejections or delays which impact project timelines \$250.00/occurrence
- Nonconforming Product Deviation Requests (submitted in advance of any deviation) No charge
- Shipments of unapproved product without prior written permission of SMI \$500.00/occurrence

Suppliers will be given the option of sending representatives to SMI facilities to sort and/or rework non-conforming product unless SMI's production status would be adversely affected. In those situations, SMI reserves the right to sort and/or rework product and charge back suppliers at the rates listed above.

In the event that SMI personnel are not available for sorting and/or rework, arrangements will be made for suppliers to contract directly with The PIC Group at prevailing labor rates.