

7.0 CONTROL OF CUSTOMER SUPPLIED PRODUCT

All customer parts sent to FDI for warranty repair, managed repair, or consignment sale are identified by a unique inventory category to provide positive tracking , identification, and segregation from FDI inventory.

Consignment inventories are also physically segregated and labeled to prevent commingling with FDI owned inventory.

When a part is received from a customer for a warranty or managed repair, a purchase order is created by FDI QA personnel that is used to receive the part into our inventory database. A special category is used, (WNT for warranties, BKR for managed repairs) to denote that the part is not FDI property. The part is inspected, then entered into our inventory database by serial number. The part can then be tracked at all points from receipt, to repair, to return to the customer. Any information or special request provided on the customer purchase/repair order will be notated in our database and communicated to the Repair Administrator handling the repair. When issuing a repair order, a unique repair order number is used that specifically allocates the part to the customer. These safeguards assure that a customer supplied part will not be mistaken for FDI property.

In the event that customer supplied product is lost or damaged at FDI's facility, the customer will be notified immediately. FDI may elect to repair or replace the product depending on factors such as repair cost, availability, etc. FDI carries property insurance to cover risk of loss in these situations.