



If AQL is not determined in the tender documents and contracts, then following penalties plan shall apply disregarding selected inspection level of YRCS and Local Authority Standards. Penalties will be applicable for each characteristic of the non-conforming goods to the total value of the Purchase Order.

Parameter measured	Level of deviation	Type of defect Major / Minor **	Level of penalties to be applied on total value of lot *
Non-compliance to performance requirement	up to 2 %	Minor	1st occurrence non, 2nd occurrence - 0.5%
	up to 10 %	Major	2%
	up to 25 %	Major	5%
	more than 25 %	Major	10%
Non-compliance on weigh and dimension	up to 5 %	Minor	for each 1% of non-compliance 0.5 % penalties.
	up to 10 %	Major	for each 1% of non-compliance 1 % penalties.
	more than 10 %	Major	for each 1% of non-compliance 2 % penalties.
Visual defects	visual quality not affected	Minor	1st occurrence non, 2nd occurrence - 1 %
	visual quality affected	Major	1st occurrence 5 %, 2nd occurrence - 10 %
Packing / Marking Defects	Goods are not affected	Minor	1%
	Goods are not affected	Major	5%

### Special remarks

\* Any major non-compliance is be subject to lot refusal at discretion of YRCS.

\* AQL and Penalties Plan issued by YRCS for specific goods prevail over this Penalties Plan.

\* Maximum cumulative penalties cannot exceed 15 % of the value of the Purchase Order.

\*\* Major defect: defect that is likely to result in a material failure or to render the product not fit for its intended purpose.

\*\* Minor defect: defect that is not likely to reduce materially the usability of the product for its intended purpose, or a departure from established standards of quality, having little bearing on the effective use or operation of the product.