

SUPPLIER REQUIREMENTS MANUAL

The purpose of this manual is to provide an overview of the requirements and expectations that ATRON Group LLC, its Brands, subsidiaries and affiliates “ATRON” has for its suppliers. As a supplier, you play an integral role in our ability to continuously provide products of the highest quality level possible to our customers. This manual is intended for all suppliers of ATRON, its affiliates and subsidiaries, which will be simply referred to as ATRON throughout the document.

Built on a foundation of empowered employees, ATRON strives to be the world’s leading global manufacturing solutions partner.

ATRON’s unique combination of global expertise, ingenuity, analytics and financial performance has contributed to the success of the world’s most well-known brands.

We help companies design, build and take their products to market quickly, affordably and efficiently. But more than that, ATRON helps customers intelligently design their supply chains to be agile, economical and effective even in uncertain times.

For more information on ATRON, please refer to our website <http://www.atrongroup.com/>

1.0 Supplier Exemptions

ATRON recognizes that the requirements imposed on a supplier may vary based on the type of Good or Service provided. This comprehensive set of requirements is broken in to three different supplier types, which drive the expectations for supply base:

1) Direct Material Suppliers

- Suppliers that provide materials that are an integral part of the finished product. These suppliers must adhere to this entire set of requirements and are not exempt from any defined requirement. This includes, but is not limited to direct material components, flux, solder, adhesives, production chemicals, lubricants, finishing such as coatings, plating and painting, base materials such as metal and plastics and etc.
- For avoidance of doubt, material (or component) distributors that do not manufacture but supply materials that are an integral part of the finished product are also classified as Direct Material Suppliers. Such distributors are also required to drive their manufacturing source(s) to the requirements specified in this document and report to ATRON of any deviations observed.

2) Indirect Material Suppliers

- Suppliers that provide material or goods which do not become an integral part of the finished product. These Indirect Material Suppliers are exempt from certain Supplier requirements which are denoted throughout this manual by a
- Suppliers of materials that are directly used in or on production may not be exempt and are treated as a Direct Material Supplier. Some products include but are not limited to flux, solder, adhesives, production chemicals, lubricants, etc. Questions regarding these requirements should be directed to your ATRON contact.

3) Indirect Service Providers

Service providers refer to any entity providing services including any outsourced activities, to ATRON. The Indirect Service Providers are exempted from certain requirements specified in this manual, as denoted by an “*”. However outsourced partners, who provide services which impact performance of finished products (e.g., product rework, component programming, laboratories, warehousing, repackaging etc.,) are not exempted from these requirements unless they are one-off buys or have written agreements for exemption, with ATRON site requesting for the specific service. Likewise, service providers who have influence on ATRON’s employees’ welfare and safety are exempted from these requirements except for section 6.14 and Section 7 and such services providers include:

1. labor dispatching contactor: labor agencies who provide direct labor to ATRON facility either on contract or on permanent basis.
2. commute transportation providers: vendors who provide regular transportation services for ATRON employees, to and from the workplace.
3. catering service providers: vendors who provide regular meals to ATRON employees within the facility, e.g. canteen services.
4. dormitory contractors: vendors who provide facilities for the staff to stay as part of the employment.
5. maintenance providers: vendors who provide regular maintenance services like building or equipment maintenance services.
6. security service providers: vendors who provides security to ATRON premises.

2.0 Supplier Supplemental Requirements

Some industries or business sectors that ATRON serves may necessitate placing additional requirements (Flow down) upon suppliers. Appendix A General Requirements and Appendix B Sector Specific Requirements of this manual provides a listing of some examples of these additional requirements by industry or market sector. All industry or market sector specific requirements that apply to each supplier will be communicated through documents including

but not limited to this manual, purchase orders, written procedures, terms and conditions or quality agreements and contracts. Suppliers must make all reasonable efforts to comply with all specified ATRON requirements.

Also, if the supplier has Master Service Agreements (MSA) or other commercial agreements as in section 4 in place, those agreements will supersede all related clauses mentioned in this Supplier Requirements Manual

However, all suppliers are required to be in full compliance with all product, legal and regulatory requirements that apply to the countries that they are doing business with no exceptions.

Questions regarding any requirement should be directed to your ATRON's procurement or supplier quality contact.

3.0 ATRON Environmental Policy

As a socially responsible organization, ATRON endeavors to conduct its business in an environmentally responsible manner.

3.1 Supplier Environmental Expectations

ATRON has expectations for our suppliers in regard to their environmental impact. Suppliers to ATRON are expected to:

- Have a documented and implemented environmental management system in place that spans their entire organization and is based on and compliant to ISO14001.
- Be aware of and in compliance with all applicable environmental regulations and laws.
- Employ Design for Environment techniques aimed at minimization of energy and materials use and environmental impact
- Endeavor to adopt and support the principles of ATRON's Environmental Policy
- Deploy these expectations within their supply chain
- When visiting or working in ATRON facilities, follow local ATRON site environmental and safety requirements
- Provide Material Safety Data Sheets (MSDS or SDS) for all supplied substances. This includes all substances brought onto ATRON premises. Material Safety Data Sheets or SDS and Hazardous Labels must be provided in the local language for the ATRON receiving site.
- Provide Material Composition Data. See section 6.7 for more information.
- Support ATRON's Environmental Management System. Supplier participation is essential for ATRON to fulfill the requirements of its Environmental Management System.

4.0 Non-Disclosure/Confidentiality Agreements

In the event Suppliers intend to disclose or receive confidential information in anticipation of and/or pursuant to providing products or services to ATRON, Suppliers will enter into a Non-Disclosure Agreement “NDA” with ATRON prior to disclosing or receiving confidential information. In the absence of an NDA, the supplier is to take due care of any information provided.

4.1 Purchase Agreements*

Direct Material Suppliers who provide tangible goods and service to ATRON are REQUIRED obtain a written Purchase Agreements in the form of a Purchase Order from ATRON before proceeding with any activities for the benefit of ATRON.

4.2 Consulting Agreements

Suppliers who provide consulting services to ATRON are encouraged to enter into ATRON’s Consulting Agreement “ACA”. In the absence of a fully executes ACA, the supplier agrees to be subject to ATRON’s standard terms of purchase found in ATRON’s Supplier Portal within its web site.

4.3 Service Providers

Suppliers who provide services to ATRON are encouraged to enter into ATRON’s Master Service Agreement “AMSA”. In the absence of a fully executes AMSA, the supplier agrees to be subject to ATRON’s standard terms of purchase found in ATRON’s Supplier Portal within its web site.

5.0 System Foundation*

Suppliers are required to have a fully documented and implemented quality system that is focused on defect prevention rather than defect detection compliant to ISO9001 standard.

Suppliers that are outside of ATRON’s direct sourcing control must meet any applicable ATRON customer requirements regarding registration and at a minimum are encouraged to document and implement a quality management system that is compliant to the ISO9001 standard. Achieving registration is highly encouraged.

5.1 Third Party Registration requirements

Some market segments (see Appendix A for a listing of these market sectors) that ATRON serves or other business needs may require our suppliers to already have or obtain third party registration to one or more additional quality standards (ISO/TS 16949, ISO 13485, ISO14001, etc...). Suppliers will be informed of any additional registration requirements that apply and the necessary evidence that will need to be provided to prove compliance, through this manual or other documentation.

5.2 Acceptance Sampling Plans*

The acceptance level for all sampling plans shall be zero defects (i.e. C=0).

5.3 Indirect Material Suppliers and Service Providers

Indirect Material Suppliers and Service Providers shall deliver Goods and Services in accordance with a Signed Agreement in addition to any ATRON business or site- specific requirements communicated with the supplier in writing. In the absence of a Signed Agreement, ATRON's standard Terms and Conditions of Purchase found in ATRON's Supplier Portal within its web site will prevail.

6.0 Contact Information

Suppliers are expected to provide support to ATRON to facilitate rapid response to delivery, quality or unresolved issues. A primary and backup contact(s), as well as escalation contact(s), should be identified to provide this level of support and their contact information provided to ATRON. Any changes to the contact information should be communicated at the time of change.

6.1 Component Traceability – Labeling / Packaging

Suppliers are required to have an effective material control system in place that at a minimum includes production lot identification (the lot code number assigned to each particular product run), date of manufacture (date code) and traceability of all parts and materials utilized in the manufacturing process. Records must be maintained and readily available for every production lot code / date code produced providing traceability capability.

6.1.1 Labeling

Product shipped to ATRON must be labeled at a minimum with part number, po number, quantity and date/date code. Additionally,

1. For moisture sensitive products, packaging and labeling in accordance to JEDEC specification J-STD-033 is required.
2. Products that are deemed ESD Sensitive must be packaged and labeled per JEDEC specification JESD625 “Requirements for Handling Electrostatic-Discharge-Sensitive Devices”.
3. Date sensitive products must be identified as such and additionally identified as date sensitive and label must contain “use by” or “expiration” date.

6.1.2 Packaging

The supplier shall ensure that packaging is used that is effective in protecting product through point of use from any potential damage. Packaging should conform to current industry specifications (e.g. JEDEC, EIA) as well as all applicable current governmental and regulatory regulations. Copies of JEDEC Specifications are available from JEDEC at www.jedec.org. Copies of EIA specifications are available from Information Handling Services at www.global.ihs.com.

Each individual media carrier (e.g. reel, bag, tube, tray, box, etc...) may contain no more than 2 date codes. More than 2 date codes require ATRON agreement and approval. The date code(s) within each carrier must be clearly identified.

6.2 Component Date Code Limitations

Component date code limitation (the time between the date of manufacture by the manufacturer and receipt at ATRON on inbound components is two 2 years, except for the following:

1. Customer specific limitations apply – will be communicated to supplier as applicable.
2. Components having lead finishes that typically exhibit poor storage life – 12 months.
3. Finishes such as silver (Ag) and Palladium Silver (Pd-Ag) that do not use a Nickel (Ni) barrier – 12 months.
4. Moisture sensitive components – 12 months from the bag seal date.
5. PCB’s with final finish of ImAg, ENIG, OSP or ImSn – 6 months.
6. PCB’s with final finish of HASL– 12 months

6.3 First Article Approval / Production Part Approval Process

First Article and/or Production Part Approval may be required prior to the first shipment of production material to ATRON or when a product undergoes a change. If this is required, suppliers will be informed of the documentation and data that will need to be submitted to receive approval to ship production material. Some examples of documentation and data that may be requested include:

1. Submission Warrant
2. First Article Inspection Report
3. Process Flow Diagram
4. Process Failure Mode Effects Analysis
5. Process Control Plan
6. Process Capability Studies
7. Measurement System Analysis Results
8. Dimensional Data
9. Material composition data
10. Material traceability report
11. Physical Samples (i.e. Color, Texture, Appearance, Others)

If a specific format is required to be utilized for reporting, it will be communicated at the time of request for submission. In the event that a submission cannot be approved, the supplier will be informed of the discrepancies and required to submit corrective action. Once corrective action(s) is complete and the discrepancies has been corrected, the supplier must contact the ATRON Requestor to schedule a date for re-submission.

Questions regarding PPAP submission requirements or submission status should be directed to the ATRON contact requesting submission.

Copies of all requested First Article and PPAP submissions must be maintained by the supplier and be readily available for review upon request.

6.4 Process Sign Off

Products may be selected to go through a Process Sign Off review prior to production approval. This review is conducted at the supplier's manufacturing location(s) to assess production readiness to meet ATRON quality and volume requirements. Items that are typically reviewed during a Process Sign Off review include:

1. First Article and/or Production Approval documentation
2. Review of the actual production process (Receiving through Shipping) and product
3. Run at rate (production volume achieved in a measured period of time)
4. Equipment / Process Capability
5. Measurement Systems Analysis
6. Preventive / Predictive Maintenance
7. Process documentation (Work instructions, SPC charts, Visual Aids, etc..)
8. Training Plans and Records

Suppliers will be notified as early as possible of any product that is selected for Process Sign Off review and approval. Timing for this review and the areas to be covered will be coordinated

with the supplier. Issues identified during the review must be corrected in order to close out the Process Sign Off and receive full production approval.

6.5 Component Composition Reporting / Environmental Compliance

Suppliers must comply with all applicable governmental, regulatory and environmental requirements (including those of the country where products are manufactured as well as where it is shipped to ATRON). This applies to the design, manufacture and delivery of products to ATRON.

Suppliers are required to have processes in place to monitor changes in applicable governmental, regulatory and environmental requirements, determine the impact of the changes to their operations and products that are supplied to ATRON and take appropriate actions to ensure continuing conformance.

Suppliers are responsible for compliance to Banned and Restricted Substances (BaRS) requirements. These requirements apply to all materials, parts, components and products supplied for ATRON Circuit, Inc., including its Subsidiaries and Affiliates (“ATRON”). The ATRON BaRS requirements are available at <http://atrongroup.com/portals/ATRON-bars-requirement.html>.

Additionally, many countries are preparing or have already enacted legislation requiring producers and importers of certain products (including electronic products) to arrange for the return and recycling of products at the end of their useful life. ATRON is proactively focused on the environment and is committed to working closely with our suppliers to reduce the amount of environmentally relevant substances in our customer’s products.

All suppliers are required to prepare and submit full disclosure material composition data in the ATRON requested format for every part number that is supplied to ATRON. The format that must be used will be communicated to the supplier by a ATRON representative.

This requirement applies to all current and pending part numbers being supplied to ATRON. For part numbers (currently supplied) that undergo a change to fit, form or function, a Product Change Notice (Refer to Section 6.10) and updated full material disclosure report / declaration must be submitted. ATRON strongly recommends proper change management protocol is followed. Suppliers should include a part number change process for any material change for effective traceability and tracking.

If a specific commodity and/or supplier are determined to be at risk, ATRON may request, from time to time, suppliers to submit updated material composition data reports / declarations.

Suppliers are requested to establish a central point of contact for this reporting activity. This person should be the focal point for coordination of these reporting activities throughout the suppliers' organization.

Suppliers are strongly encouraged to proactively ensure that all of their parts are reported to ATRON. To submit a report proactively (not as a result of receiving and responding to a specific request for reporting from a ATRON representative), please e-mail your submittal to the following e-mail address:

qc@atrongroup.com

In the event that a particular part number requires prioritization or expedited reporting, you will be contacted directly and expected to complete and submit the information in the time frame requested. All requests for reporting must be completed in the time frame requested.

The latest submission on record at ATRON will be considered the current version. It is the responsibility of all suppliers to ensure that the latest version of material composition data for all products that they supply to ATRON has been submitted.

Supplier performance in reporting will be considered as a factor for future sourcing decisions.

Questions regarding this requirement should be directed to your ATRON contact.

6.6 Conflict Minerals

Certain regions, where several minerals used in the electronics industry originate, have been identified as "conflict" regions. The Democratic Republic of the Congo and adjoining countries are identified as conflict regions due to reported human rights abuses, environmental concerns and actions against citizens. Certain minerals that originate (are mined) from this region have been identified as "conflict minerals" and include gold (Au), tantalum (Ta), tungsten (W) and tin (Sn). Suppliers are required to undertake due diligence in reviewing / assessing their supply chain to assure that these minerals, if they are contained within the product supplied, are not sourced from mines that are in this conflict region which are controlled by non-government military groups, or unlawful military factions ("Conflict Minerals").

Additionally, suppliers are expected to:

- Have in place (and provide information about upon request) a conflict free sourcing policy and controls for assuring only conflict free minerals are procured
- Monitor their supply chain as reasonably necessary to help avoid procuring "Conflict Minerals"
- Provide, upon request, supporting data / information confirming status and compliance.
- Support the Electronic Industry Citizenship Coalition activities / initiatives in this area

6.7 Product/Service Quality Concern Resolution

Suppliers are responsible for the quality of the product that they supply to ATRON. Product quality concerns can lead to disruptions in ATRON's manufacturing operations, additional costs being incurred and potentially impact our customer. Additional costs incurred as the result of a supplier quality concern may potentially be subject to a request for cost recovery.

Once the quality issue is identified and depending on the impact to ATRON business, ATRON may notify Suppliers of a request for corrective action. If requested, suppliers are expected to:

1. Institute immediate containment action(s) for product within their facility(ies), in transit and at ATRON facilities.
2. Submit an initial containment plan to the ATRON requestor within 48 hours of notification.
3. Provide "certified" product as requested.
4. Submit an initial failure analysis and corrective action report within 5 days of notification.
5. Provide verification and recurrence prevention actions / evidence within 10 days.
6. Provide a final corrective action report with supporting data within 30 days of notification. Continue containment activities until corrective action closure confirmation has been received from ATRON.
7. Provide additional support as agreed to.

Any exceptions to the requirements stated above must be approved by the ATRON Requestor in writing prior to the due date.

Questions regarding these requirements should be directed to your ATRON contact.

Suppliers may be sent a template to be used for the completion of a requested corrective action. If no template is provided, the suppliers' format can be used if it contains the minimum elements listed below.

1. **Contain** - determine the universe that this problem affects. (Do this as soon as discovered)
2. **Correct** - fix the immediate issue for affected items found in the universe. (Immediately disposition and fix any issues found)
3. **Causal determination** - determine what was the most likely root cause.
4. **Collect data** to prove it (when we have truly identified the root cause we can turn on and off the problem like a light switch.)
5. **Corrective action** - develop a process or take action so that it can't happen again.
6. **Communicate in writing** to all stakeholders what was found and what has been done. (This is critical)
7. **Confirm** the effectiveness of the corrective action.

Depending on the nature of the defect observed by ATRON, the supplier may also be asked to provide a 3 Way- 5 Why Analysis or 8D analysis.

For material suppliers, in the event that the implemented containment action(s) is not effective, additional containment action(s) must be initiated and may result in being placed on Controlled Shipping Status. Suppliers will be notified when a product is placed on Controlled Shipping Status, including the reasons why it is being requested. This notification will include specific requirements for containment and conditions for removal of the status.

Controlled Shipping Status is designated into 2 categories.

- CS1: This level of containment requires additional controls to be put into place by supplier upon the request of ATRON. The containment activities typically take place within the supplier's facility (ies) and, as applicable, at their sub-supplier's facility (ies). The containment actions should take place outside of the manufacturing process prior to shipment, unless other specific arrangements are made. The supplier is required to submit an updated containment plan, outlining additional actions that they propose to employ, to ATRON for review and approval.
- CS2: This level of inspection is typically implemented when all other containment actions have failed to isolate defects from getting to ATRON. This level of containment requires the use of an independent third-party source. In all cases, ATRON approval of the third-party source to be employed must be requested and received.

For material suppliers, if non-conforming product requires return, the supplier will be contacted with the pertinent information regarding the return and asked to provide a Return Material Authorization (RMA) number. This number will be used for tracking purposes and should be included in the corrective action report. Response is required within 24 hours of the receipt of a request for a RMA number and should include any necessary instructions for shipment.

Suppliers are strongly encouraged to initiate corrective action for all quality issues regardless of whether a corrective action response is requested by ATRON.

6.8 Shipment of Suspected Non-Conforming Product

In the event that a suspect that non-conforming material has been shipped, they are required to immediately contact the effected ATRON site(s) to inform them of the following:

1. Part number
2. Quantity impacted
3. The suspected non-conformance
4. Lot number(s) impacted
5. Date code(s) impacted
6. Ship date, carrier, tracking number, etc.

Suppliers are expected to contain the suspect product, arrange for the shipment and receipt of “certified” replacement product to protect production requirements and the return of all suspect products.

6.9 Product Change Notices

Product Change Notices are the mechanism that suppliers must use to inform ATRON of a proposed product changes, product discontinuations, end of life, etc... The information received in the notice is reviewed to determine its impact. Suppliers are required to submit a Product Change Notice for any proposed change including the following:

1. Change in manufacturing process.
2. Change in material or change in material source.
3. Change in manufacturing location.
4. Change in part construction / design (i.e. Die Shrink).
5. New or modified tooling.
6. End Of Life.

Submission of a Product Change Notice to ATRON does not indicate approval of a proposed product change. ATRON reserves the right to reject any proposed change, require additional information or data to be supplied or seek customer(s) concurrence prior to granting approval. The supplier will be notified if any of these conditions apply to a proposed product change and the requirements for obtaining approval. Suppliers must maintain records of the date of implementation in production of each change.

For every Process Change Notice submitted, suppliers are required to review the impact to material composition and submit an updated full material disclosure report / declaration. Refer to Section 6.7.

To submit a Product Change Notice request, suppliers must send it via e-mail to: qc@atrongroup.com and/or purchasing@atrongroup.com. The guidelines for submitting a Product Change Notice are:

- Notices can be in any format (e.g. Word, Excel, PDF, etc...)
- The supplier logo and contact information must be included in the document
- Notices must describe the type of change proposed (e.g. End Of Life, Product Change, Manufacturing Location Change, etc...)
- A unique notice number must be generated for each Product Change Notice
- Each Product Change Notice must be dated
- For End of Life notices, the Last Time Buy Date and Last Ship Date must be included
- For all other change notices, the implementation date must be included
- Each notice must contain all part numbers that are impacted

6.10 Deviations from Specifications and/or Requirements

Suppliers are expected to ship product and services that fully meets all applicable specifications and requirements. Product that does not fully meet these requirements cannot be shipped unless prior written approval is received from ATRON in the form of a completed and signed deviation. Deviations are issued for a specific quantity or time period. Suppliers must strictly adhere to this specified limit. ATRON reserves the right to reject any request for deviation. Questions regarding deviations should be directed to your ATRON site contact.

6.11 Supply Chain Management

Suppliers to ATRON are expected to have systems in place for the qualification and management of their suppliers that ensures the quality of the products that they receive. The system employed should encourage defect prevention. Suppliers must verify that their sourced suppliers are in compliance with all customer, product, legal, regulatory and environmental requirements that apply to the design, manufacture and delivery of materials and components. Sourced supplier performance should be measured and periodically reviewed with improvement actions identified / taken where appropriate.

6.12 Social and Environmental Responsibility

Suppliers, in all of their activities, must operate in full compliance with the laws, rules and regulations of the countries in which they operate and also in full compliance with the Responsible Business Alliance(RBA) Code Of Conduct. Suppliers shall be committed to ethical conduct and respect for human rights in accordance with the principles of internationally recognized social and ethical conventions, for instance the United Nations' Universal Declaration on Human Rights, International Labour Organization's (ILO) Conventions and Recommendations and have internal guidelines in place to do so. The Universal Declaration on Human Rights document along with other United Nations documents pertaining to human rights can be found on their website at www.un.org.

Copies of ILO Conventions and Recommendations as well as research tools for finding national and international laws can be found at the ILO website www.ilo.org.

The Responsible Business Alliance (RBA) Code Of Conduct outlines standards to ensure that working conditions in the electronics supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. The Responsible Business Alliance (RBA) Code of Conduct can be found at <http://www.responsiblebusiness.org/standards/code-of-conduct/>

ATRON regards this as a total supply chain initiative. Therefore, suppliers are encouraged to also require their own suppliers to acknowledge and implement this code.

Suppliers are expected to support ATRON and/or Responsible Business Alliance (RBA) requests for Self-Assessment Questionnaire (SAQ) completion or on-site assessment (i.e. Validated Audited Process). Suppliers are requested to inform ATRON of any requested/planned Responsible Business Alliance assessments (VAP) and to provide a link to or a copy of the assessment results.

Suppliers are required to initiate corrective actions for any findings that may arise from these assessments and provide copies of these corrective actions including evidence of completion to ATRON.

Questions regarding this should be directed to your ATRON contact qc@atrongroup.com.

6.13 Site Visits

Suppliers shall allow ATRON's employees or representatives to visit all manufacturing facilities of Supplier or its subcontractors in which the Products are being built or assembled; provided that, (a) ATRON gives Supplier reasonable advance notice of each visit; and (b) such visit does not unreasonably disrupt the manufacturing capability of Supplier or subcontractor, or violate any safety or clean room procedures.

6.14 Product conformance data

Suppliers may be requested to provide data showing product conformance to specifications and requirements. The content and submission requirements / frequency will be communicated to the supplier. Suppliers are expected to comply with ATRON requests to provide this information.

6.15 Business Continuity and Pandemic Preparedness Plans

Suppliers are required to have in place a Business Continuity Plan, including Pandemic Preparedness. This plan should focus on protecting employees, maintaining operations, alternate supply in the event of enforced closures and extend to your supply chain. These plans should be exercised (tested) periodically to identify any potential problems or gaps, with corrective actions taken as necessary. These plans must be made available upon request.

There are sources that have published guidance available on key elements of these plans including their development and monitoring. A partial list of these sources includes:

- Center for Disease Control – <http://www.cdc.gov/>
- World Health Organization – <http://www.who.int/en>
- <http://flu.gov>
- Berkeley Lab – <http://www.lbl.gov>

6.16 Lithium Batteries

As lithium batteries pose serious (sometimes catastrophic) hazards during transportation, specific regulations regarding the packaging, labelling, handling and marking of lithium batteries and lithium battery shipments have been enacted to minimize this risk. Suppliers to ATRON of lithium batteries must ensure that they are in compliance with all applicable laws and regulations regarding the packaging, handling, marking, labelling and transportation of these devices. Additionally, suppliers of lithium batteries are required to submit to ATRON a signed Supplier Statement of Compliance. This document can be obtained through your ATRON Site Purchasing Manager or by sending a request to purchasing@atrongroup.com.

ATRON employs an evaluation process for suppliers being considered for addition to ATRON Supply Chain strategies lists. Examples of methods used to consider sources for addition to these lists include:

1. Customer Recommendation
2. Third party quality system (i.e. ISO9000, QS9000, ISO/TS 16949, etc...) registration and completion of a self-assessment
3. Completion of an on-site assessment
4. A combination of the above

The requirements that need to be satisfied in order to be added to the list are communicated to suppliers that are being considered for addition. Corrective actions for items identified during this process are expected to be completed and submitted to ATRON in an agreed to time frame. The timeliness and quality of provided responses are also considered in the evaluation process.

The supplier evaluation process utilizes a series of documents that are available to our suppliers through your ATRON Site contact. ATRON reserves the right to send one or more of the following supplier evaluation documents depending on the business nature as part of supplier qualification or any ongoing risk assessment processes and in such cases, the responsible ATRON person shall get in touch with suppliers separately and guide through these assessment process, as and when this is required which includes:

1. Supplier Self-Assessment
2. EICC Self-Assessment
3. Logistics Self-Assessment
4. Supplier Acknowledgement Form
5. Supplier Baseline Surveys

ATRON employs a Supplier Performance System to measure the performance of our suppliers in the following areas:

1. Delivery

2. Quality
3. Service

The performance of each supplier in these categories is evaluated. Suppliers whose performance is deemed to need improvement in one or more categories may be requested to perform one or more of the following activities:

1. Prepare and submit a corrective action plan to address any category that is identified as needing improvement
2. Support and participate in joint supplier development initiative(s)
3. Present corrective action plans to ATRON site(s) and / or corporate leadership to achieve required performance

Ongoing performance results are used to evaluate our suppliers continuing ability to provide products that meet our expectations. A supplier's status on an Approved Manufacturer List(s) can be impacted by ongoing performance issues.

Suppliers can obtain access to the Supplier Performance System (via ATRON Business Connect) in order to review their own performance scorecards. Suppliers are encouraged to proactively manage and continuously improve their performance. Information regarding access to the Supplier Performance System can be obtained from your ATRON site contact, Global Commodity Manager, Divisional Commodity Manager or Global Supplier Development Engineer / Manager.

6.17 Surveillance Audit

Surveillance Audits may be periodically conducted to evaluate continuing ability to fulfill requirements and expectations. Surveillance audits can include the following:

- Request for supplier completion and submission of an updated Self-Assessment Questionnaire
- On-site assessment
- Both a and b

Suppliers will be notified in advance of the need for completing a surveillance audit and are requested to provide the necessary support for completion.

Suppliers are expected to have a process in place for continuous improvement and should focus on continued reduction in variation, improvement in efficiencies and elimination of waste.

Note: Continuous Improvement can only take place once all product and customer requirements (including process capability) have been fully and consistently fulfilled.

ATRON is committed to maintaining the highest ethical and legal standards. We strive to comply with both letter and spirit of the laws and regulations in each country in which we do

business. We conduct our day-to-day business in an honest and ethical manner with everyone. As a supplier of ATRON, you share a responsibility to help prevent bribery and corruption.

All suppliers will adhere to all applicable laws and regulations governing such Party's conduct in connection with any Agreement, including, without limitation, the United States Foreign Corrupt Practices Act, the UK Bribery Act, and any laws or regulations of the U.S. Department of Commerce Bureau of Industry and Security and will not export or re-export any technical data or products received from a Discloser, or the direct product of such technical data, to any proscribed country listed in the U.S. Export Administration regulations unless properly authorized by the U.S. government.

APPENDIX A – General Requirements

Suppliers may be requested to provide a First Article Inspection Report (FAIR) at start of production or upon changes made to product design. Specific requirements for submission will be communicated to the supplier, should submission be required.

Suppliers must notify ATRON of any product that they provide that has a shelf life of less than 2 years, from the date of manufacture.

Suppliers must provide a Certificate of Conformity (CofC) with each shipment to ATRON.

Onsite Support – In the event that it is determined that supplier onsite support is needed, the supplier will be contacted, provided with information regarding the basis of the need and the time frame for which it is being sought. In the event that onsite support cannot be provided, suppliers are requested to work with the ATRON requestor to find a mutually acceptable alternative.

A.01 Quality System Requirements

- A. Provide only the exact item(s) specified in the Purchase Order (PO). All items are subject to receiving inspection and test; items not meeting all the requirements shall be rejected and reflected negatively in your quality performance rating. Use of superseded material, as defined by its controlling specification, is allowable provided the material can be traced to or from the original drawing requirements. Do not fabricate parts from substitute material without written authorization from the ATRON. Previous acceptance by ATRON of product, which was not to the requirements, does not relieve the Supplier from the responsibility of delivering subsequent shipments, which fully conform to requirements.
- B. When applicable, the ATRON PO shall state the revision of the drawing or specification that applies to the order. If the revision is not stated, it is assumed that the current revision of the drawing or specification applies.
- C. Your quality control or inspection system and manufacturing process are subject to review, verification, and analysis by authorized ATRON representatives, our customers, and regulatory authorities, when applicable. Customer inspection or release of product prior to shipment is not required unless you are otherwise notified. A copy of the PO must be furnished by you to ATRON, upon request.
- D. Unless otherwise specified, there is no Material Review Board (MRB) authority granted to you or any of your suppliers or sub-tier suppliers providing materials, parts, or services as a result of this PO. The Supplier shall notify ATRON of nonconforming material and obtain approval for product disposition. The Supplier shall notify ATRON of changes to product, process, suppliers, and manufacturing facility locations and obtain approval from ATRON.

- E. A packing slip is required with each delivery. The packing slip will include, as a minimum, Supplier Name & Address, Purchase Order Number, Item Name, Description or Part Number, Quantity, and Number of Packages.
- F. When previously rejected items are returned to ATRON, reworked and/or replacement items shall be kept separate and clearly identified. On the packing slip, the quantity of each component shall be itemized and the ATRON MRB Number shall be listed. All of the certification requirements originally identified on the PO are applicable to reworked and/or replacement parts.
- G. The Supplier shall maintain a quality system satisfactory to ATRON for control of the items being procured and shall be subject to audit by ATRON representatives. Suppliers must retain all quotations, quality/certification documents, contractual documents, and technical documents pertaining to a PO for a minimum period of 7 years, unless otherwise specified.
- H. FOR HAZARDOUS MATERIAL SHIPMENTS ONLY: Supplier shall provide a current Safety Data Sheet (SDS) at the time of first delivery and at the time of first delivery subsequent to a revision of the SDS, Fax (214-292-9845).
- I. When any documentation required by the PO requires correction, either prior to or after submittal to ATRON, the correction shall be made by drawing a single line through the incorrect information, and then entering the correct information above or below the line out. No whiteout can be used for corrections. The correction shall be initialed and dated by the person making the change.
- J. Each page of the Supplier's certification package must be traceable to the ATRON PO. The Supplier shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of all material being delivered per this order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the material for the Supplier and shall include the manufacturer's commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications.
- K. The requirements of this PO shall be passed down to your sub-tier suppliers. When there are conflicting requirements, they shall be resolved by following the requirements of the document with the highest precedence. The order of precedence, in descending order, is, (1) the Document Text of the PO, (2) ATRON Special Quality Clauses listed on the PO, (3) the requirements on the Applicable Documents (Drawing) or listed Specification defining the item to be delivered.

- L. New equipment/gaging shall be provided with an appropriate certification from the manufacturer. Items delivered are subject to calibration by ATRON upon receipt and shall be rejected if not in conformance.
- M. Each item that is shipped to ATRON shall be a fair representation of the ATRON's and Supplier's commitment to quality. If the PO, drawing, or specification does not define workmanship, then the following criteria applies: Each item shall be free of foreign material, such as grease, machining fluids, chips, or loose dirt. Surface treatments shall be consistent within each lot. For example, each lot shall not have extreme color variations or excessive buildup of residual coating material, unless these variations are allowed by the controlling specification. Dents, scratches, gouges, and other types of surface defects shall not exceed drawing requirements for dimensions, surface finish, and/or broken edges.
- N. There shall be no parts used that are known to be obsolete by the original manufacturer. Supplier shall notify ATRON of any impending parts obsolescence for evaluation.
- O. The Supplier or the supplier's sub-tier suppliers shall respond to ATRON requests for corrective action within the timeframe specified and take timely and effective action to eliminate and prevent the root cause underlying deficiencies.
- P. Supplier shall not implement any changes in design, materials, processes, or controls without prior written approval from ATRON prior to supplying services and/or material. Such changes or events may negate all previous ATRON supplier qualifications, certifications, approval status, and may require re-qualification or re-submittal of a First Article. Supplier shall notify ATRON of any proposed changes to the established baseline of materials, processes, sub-tier suppliers or inspection testing methods, techniques, ownership or facility changes. ATRON approval is required prior to implementation of any proposed changes. The supplier is also responsible for compliance by sub-contractors.
- Q. All parts and materials intended for ATRON shall be protected against the potential damage from shipping, ESD (Electrostatic Discharge), FOD (Foreign Object Damage), corrosion, moisture, contamination, deterioration or damage by processing, handling, storage at the Supplier, or in transit to ATRON or from any sub-tier supplier.
- R. Counterfeit Material Avoidance
The Supplier shall maintain a Counterfeit Item risk mitigation process internally and with its suppliers for all parts utilized for ATRON. When suspect or confirmed counterfeit item(s) associated with this purchase order are discovered the Supplier shall notify ATRON and shall ensure suspect counterfeit items are not delivered to ATRON. The Supplier shall immediately notify ATRON with the pertinent facts if Supplier becomes aware or suspects that items

delivered in accordance with the ATRON purchase order are or contain suspect or confirmed counterfeit items. When requested by ATRON, Supplier shall provide documentation that authenticates traceability of the affected items to the applicable source. Supplier shall provide evidence of the Suppliers risk mitigation process to ATRON upon request.

Product Impoundment and Financial Responsibility

If suspect/counterfeit item is furnished under this purchase order, such items shall be impounded. The Supplier shall promptly replace such items with items acceptable to ATRON and the Supplier may be liable for all costs relating to impoundment, removal, and replacement.

ATRON may turn such items over to Authority Having Jurisdiction for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. Any known instances of fraud or attempted fraud shall be documented in writing to ATRON.

Definitions:

“**Counterfeit Item**” is defined to include, but not limited to, (i) an item that is an illegal or unauthorized copy or substitute of an Original Equipment Manufacturer (“OEM”) or Original

Component Manufacturer (“OCM”) item; (ii) an item that does not contain the proper external or internal materials or components required by the OEM or OCM or that is not constructed in accordance with OEM or OCM design, but is represented as such; (iii) an item or component thereof that is used, refurbished or reclaimed but the Supplier represents as being a new item; (iv) an item that has not successfully passed all OEM or OCM required testing, verification, screening and quality control but that Supplier represents as having met or passed such requirements; or (v) an item with a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM or OCM item is a genuine OEM or OCM item when it is not.

S. Specialty Quality Clauses

No. Description

1. Source Inspection – Items on this PO are subject to ATRON Source Inspection in your facility. Notify the ATRON identified on the PO to schedule Source Inspection. ATRON reserves the right to waive Source Inspection. The ATRON shall provide written authorization to process a shipment without Source Inspection. A copy of the authorization must accompany the shipment. Waiver of ATRON Source Inspection on a specific shipment does not relieve the Supplier from requesting ATRON Source Inspection on other shipments to be made under the same PO and/or line item. The Supplier is responsible for providing adequate facilities to the ATRON Source Inspector so that an accurate inspection of the parts can be accomplished.
2. Contract Manufacturer Inspection – Component parts will be drop-shipped to your facility

by an ATRON third party supplier. You shall perform, as a minimum, packing slip verification at your receiving inspection to ensure that the product received matches ATRON parts list specified in the PO. You shall perform any additional inspections that are required by the PO and provide data sheets with your shipment. Notification of a nonconformance shall be communicated within one business day to ATRON in the form of an email to the ATRON.

3. Calibration – In accordance with ANSI/NCCL Z540.3 and ISO 10012 traceable to NIST. Provide certification and data showing before and after results of calibrations performed including any adjustments made. List Manufacturer’s specification acceptance limits or ATRON’ acceptance limits, if provided. If an out-of-tolerance condition is found, notify ATRON within 24 hours.
4. PO Certification – The Supplier shall approve, retain and provide copies of Certificate of Conformance. Provide a certification stating that the parts or material provided are in full compliance with the ATRON PO. The minimum information required on this certification is: Manufacturer Name, Manufacturer Address, ATRON PO No, Part No, Drawing and revision, Item level identification (i.e., date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications), authorized signature with title(signature and drawing revision are not required for a distributor; an electronic authorized signature is acceptable), and date.
5. Raw Material Certification – Provide a certification of compliance for raw material as supplied by the mill/plant/sub-tier supplier. This certification shall be traceable to the ATRON PO and shall state the proper specification or standard as it is called out on the drawing or specification.
6. Special Process Certification – Provide a certification that the special processes required to fulfill this order were performed in accordance with the requirements. Such processes may be welding, heat treating, magnetic particle inspection, radiography, anodizing, passivation, or others as specified in the PO. This certification shall be traceable to the ATRON PO.
7. Product Acceptance Inspection Data – Provide a product acceptance inspection data with each delivered lot. This may be in the form of a Certificate of Analysis, datasheet, test report or other document applicable to the product. It shall provide objective evidence of product conformance and shall include the following: ATRON and supplier part number, lot number, characteristics inspected, tolerance, sample size, actual measured values and an authorized signature or stamp. (an electronic authorized signature is acceptable). Each page shall be traceable to the ATRON PO.
8. First Article Inspection – A First Article Inspection Report in accordance with AS9102,

latest revision is required.

9. ESD Sensitivity – Products are sensitive to Electrostatic Discharge and must be packaged and labeled to applicable industry standards.
10. Single Lot Requirement – All material and/or parts supplied under this Purchase Order shall be from one homogeneous and identical lot; that is, there shall be no change in the material constituents (i.e., Raw Material Heat Lot) manufacturing location, process, or design during manufacture of the lot by the supplier.
11. Single Manufacturing Lot Requirement – In addition to the requirements of Clause 29, the following shall apply: The parts shall be produced in a single lot, without change to process or location. Once set up is verified, tooling shall not be reset or altered until production of the lot is complete (Replacement of normal wear tooling, such as drill bits, is permitted). These same requirements also apply to Special Processes, whether they are performed in-house or by a sub-tier supplier.
12. Foreign Object Damage (FOD) Prevention – The Supplier shall establish and maintain an effective Foreign Object Damage (FOD) Prevention Program to reduce FOD using NAS412 as a guideline. The Supplier’s program shall utilize effective FOD prevention practices. The program shall be proportional to the sensitivity of the design of the product(s) to FOD, as well as, to the FOD generating potential of the manufacturing methods. The written procedures or policies developed by the Supplier shall be subject to review and audit by the ATRON and/or government representative, and disapproval when the Supplier’s procedures or policies do not accomplish their objectives.

APPENDIX B – Sector Specific Requirements

B.01 Defense and Aerospace Sector

1. ATRON customer approved sources may be required to be used by ATRON’s suppliers. In the event that this applies, the requirement will be communicated to impacted suppliers and suppliers have to provide evidence of conformance.
2. Suppliers need to ensure that all applicable requirements, including key characteristics are communicated to their sub-suppliers.
3. Suppliers may be requested to provide a full or partial First Article Inspection Report (FAIR) at start of production or upon or when the following occurs:
 1. Lapse in production for two years or as specified by the customer
 2. Change in manufacturing process,
 3. Change in material or change in material source,
 4. Change in manufacturing location
 5. Change or modified tooling
 6. Changes made to product design
 7. Change in inspection methods, Changes in product design include any change which affects the revision / mod level of the product. Additionally, a copy of the initial FAIR may be requested on first shipment to JDAS. FAIR submissions should meet AS9102 requirements or as specified by the customer. Specific requirements for submission will be communicated to the supplier should submission be required.

B.02 Healthcare and Life Sciences Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Sites. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.03 Automotive Industry

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Sites. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.04 Clean Technology Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Site. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.05 High Velocity Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Sites. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.06 Telnet Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Site. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.07 Computing & Storage Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Site. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.08 MID Market Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Site. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.09 Business Automation Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Site. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.10 Home and Energy Management Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Site. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.

B.11 Industrial and Energy Sector

Any additional requirements will be communicated by individual ATRON Business Unit or ATRON Site. Questions regarding these requirements should be directed to the individual Business Unit or ATRON site making the request.