35715 Stanley Drive • Sterling Heights, MI 48312 • Tel: (248) 582-0600 • Fax: (586) 983-8034 • www.ssi-tek.com

Supplier Quality Manual

TABLE OF CONTENTS

Section A – General Quality Standards for Purchased Material

Section B – Supplier Approval

Section C – Purchase Order Terms and Conditions

Section D – Amendment Record

Section A – General Quality Standards for Purchased Material

SQM-1.0 Purpose

The purpose of this Supplier Quality Manual ("Manual") is to define the supplier quality requirements for SSI Technology, Inc. ("SSI"), to ensure that purchased product conforms to specified purchasing requirements.

SSI reserves the right to amend/update/revise this Manual at any time.

SQM-2.0 Scope

This Manual applies to ***key suppliers*** who directly provide material (raw materials, production services, component parts and assemblies) to SSI, unless otherwise exempted by contract, purchase order, or noted in this Manual. Facility (building) MRO items and general services are excluded from this process except for the purchase order terms and conditions.

In the event that the purchase order or contract conflicts with the requirements of this document, the purchase order or contract requirements will supersede.

SQM-3.0 Supply Chain

The supply chain is an entire network of entities, directly or indirectly interlinked and interdependent in serving the same customer. It comprises of suppliers that supply raw material and/or services, organizations who convert the material into products, and customers who ultimately consume and/or deliver the product and/or services to end users.

Supplier ⟶ Organization ⟶ Customer

SQM-4.0 Supplier Contact Information

All key suppliers must provide SSI with contact information, and updates to contact information must be submitted every year when any changes have occurred.

SQM-5.0 Removed

This section intentionally left blank.

SQM-6.0 Quality Systems

Requirements shall be in effect for those suppliers who directly supply materials, items, services, and special processes to SSI. This includes those suppliers identified as distributors [SQM-9.0], special process suppliers (heat treating, plating, welding, soldering, brazing, etc.) [SQM-7.0], calibration laboratories [SQM-4.1], and raw material suppliers [SQM-6.0].

SQM-6.1 Supplier must have established, documented, implemented and maintained a quality management system in accordance with the requirements of ISO 9001 and/or AS9100. Calibration suppliers shall have a quality system that is compliant to ISO/IEC 17025.

SQM-6.2 A supplier not meeting the above quality system requirements may be assessed at any time for reasons not limited to performance, and may be liable for actual costs of such assessments.

SQM-6.3 Suppliers' QMS systems shall address:
- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behavior.

SQM-7.0 Right of Access

The supplier shall provide SSI, SSI's customer(s), and/or a specified third party (statutory/regulatory agency), right of access to the facility and all records *related to* product ordered by SSI or one of its customers. SSI, its customer's representative, and/or a specified third party reserves the right to perform an audit or inspection at the supplier's facility to verify that supplied product conforms to specified requirements. This verification does not absolve the supplier of the responsibility to provide acceptable product and does not preclude subsequent rejection by SSI or its customer.

SQM-8.0 Confidentiality Agreement

By accepting the terms of an SSI Contract and Purchase Order, suppliers agree to adhere to the confidentiality agreements stated herein. Information considered confidential may include, but not limited to:

- Customer-supplied documentation/records
- Customer-supplied product/property
- Customer furnished data used for design, production and/or inspection
- Intellectual property

SQM-8.1 NO USE – The Supplier agrees not to use Confidential Information in any way, or to manufacture, test, and/or distribute any product embodying Confidential Information, except for the purpose set forth in the Purchase Order.

SQM-8.2 NO DISCLOSURE – Supplier agrees to use its best efforts to prevent and protect the Confidential Information, or any part thereof, from disclosure to any person other than supplier's employees having a need for disclosure in connection with supplier's authorized use of the Confidential Information and production/process activities.

SQM-8.3 PROTECTION OF SECRECY – Supplier agrees to take all steps reasonably necessary to protect the secrecy of the Confidential Information, and to prevent the Confidential Information from falling into the public domain or into the possession of unauthorized persons.

SQM-8.4 TERM AND TERMINATION – The obligations of this Agreement shall be continuing until

the Confidential Information disclosed to suppliers is no longer confidential.

SQM-9.0 Raw Materials Suppliers

Unless otherwise specified, raw material suppliers shall provide material certifications/test reports with all shipments. SSI will periodically validate supplier's reports for raw material to verify that data in those reports are acceptable per applicable specifications.

SQM-10.0 Sub-Tier Selection/Control

SSI reserves the right to specify and/or approve sub-tier suppliers chosen by its suppliers. Direct suppliers shall flow down to its sub-tier suppliers all relevant quality requirements imposed by this Manual, purchasing documents, applicable contract requirements, including government and Department of Defense (DoD) requirements.

SQM 11.0 Distributors & Brokers

A distributor is defined as a supplier that procures parts, materials or assemblies and sells these products to a customer without affecting product characteristics or conformity. Distributors must ensure that only approved, conforming parts make their way into the supply chain. The constant concern of "black market" or "bogus" parts has reached heightened levels and the requirements in this SQM includes requirements that when effectively implemented, shall assist SSI to minimize the risk of such activity.

Distributors of aerospace commodity items are encouraged to employ a documented quality system that is compliant to (AS/EN/JISQ) 9120 Aerospace Requirements for Stockist Distributors or (AS/EN/JISQ) 9100 Quality Management Systems – Aerospace – Requirements. Copies of the AS standards can be purchased from SAE International at www.sae.org.

Brokers are utilized to procure items that are considered obsolete or "hard to find." Brokers must adhere to requirements identified in "Request for Quote" forms and/or drawings. In electing/recommending components to SSI, Brokers shall be cognizant that supplies have the capability to adhere to SSI requirements and industry standards (i.e, Mil, NGS, AMSI, and SAE specifications).

A Certificate of Conformance is required for each item delivered to ensure that the product provided is as specified in the SSI procurement document. If a Certificate of Conformance is not provided with the shipment of product, SSI reserves the right to hold and/or reject shipment until such a time that a Certificate of Conformance is received.

SQM-12.0 First Article Production Approval

When required by contract, First Articles shall be performed by suppliers as per AS9102 requirements or other similar/proven methods. The designated quantity of components, randomly selected from a significant production run, must be produced utilizing production tooling, processing and cycle times.

This approval should include dimensional and performance requirements and, in some cases, may also include specific visual and functional approvals. Where available, First Articles shall be submitted to SSI and in some instances, functional approval of components will be required.

SQM-13.0 Purchased Part Control

Suppliers must certify, as part of sample submission, compliance with current constraints on restricted substances as specified by PO or contract, especially toxic and hazardous substances.

SQM-14.0 Material Identification

The supplier is encouraged to establish a documented system for the control of all materials. The inspection and test status of all materials should be easily identifiable by the system, and documentation should include a description of any applicable containment areas and/or devices. Parts or products removed from the normal process flow must be segregated and clearly marked.

SQM-15.0 Sampling

The supplier may use sampling plans when historical records indicate that a reduction in inspection can be achieved without jeopardizing the level of quality. The supplier may employ sampling inspection in accordance with nationally accepted or customer required standards.
Sampling may not be used to justify the existence of known defectives or discrepancies in a lot.
The supplier shall maintain quality records in sufficient detail to establish evidence that any sampling was representative, the required tests and verifications were properly performed, and only material meeting specified requirements has been accepted for production and delivery
to SSI. These records shall be available for review by SSI or an SSI authorized representative, as required. Copies of individual records shall be furnished to SSI upon request.

SQM 16.0 Drawing and Change Control

The supplier's quality management system must ensure that the latest engineering drawings and specifications are available at the manufacturing, test and/or inspection locations. Written procedures should indicate the method(s) utilized for receipt, review or distribution of all changes and the method(s) of recalling and disposing of an obsolete item. A review process, conducted at least once each calendar year, should be established in the system for confirming that specifications are at the latest revision level with the issuing source.

Suppliers must coordinate document all changes with SSI Engineering. This may involve customers and/or regulatory authorities in accordance with contract or regulatory requirements

SQM 17.0 Records

Supplier must retain adequate quality system records, including all production planning documents, process guidelines, laboratory test instructions, gauge/test equipment verification and calibration and performance test methods. In addition, the supplier must retain quality performance records, including control charts, inspection and test results, where appropriate. At a minimum, the supplier must retain the records for the periods indicated and be made available for review as required:

- Quality system records 5 calendar years after delivery of final production
- Quality performance records 5 calendar years after delivery of final production

Supplier shall agree to transmit to SSI those records maintained in support of SSI's contract agreements in the event that supplier discontinues business operations. Additionally, all documents provided by SSI must be destroyed or returned upon satisfaction of obligations relative to this order.

SQM-18.0 Change in Manufacturing Process Control

Our continuous improvement philosophy encourages process improvements both internally and at our supplier's facilities. However, prior to any such "modification" to a process being implemented, supplier must complete all required/necessary verifications and tests to ensure that any new process continue to yield product/services that meet SSI specifications. First Article requirements as specified above apply.

SQM-19.0 **Suspect / Counterfeit Parts**

SSI has a policy (QPM 8-014) to ensure that only authentic and conforming product and materiel are procured from legally authorized sources. The SSI Terms and Conditions outline these requirements and thereby state the following:
Seller represents and warrants that it has policies and procedures in place to ensure that none of the supplies or materials furnished under an SSI Purchase Order are **"suspect/counterfeit parts"** and certifies, to the best of its knowledge and belief, that no such parts have been or are being furnished to SSI by Seller.
"Suspect/counterfeit parts" are parts that may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. They also include refurbished parts, complete with false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government, such as parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP).
If SSI reasonably determines that Seller has supplied suspect/counterfeit parts to SSI, SSI shall promptly notify Seller and Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to SSI. Notwithstanding any other provision contained herein, Seller shall be liable for all costs incurred by SSI to remove and replace the suspect/counterfeit parts, including without limitation SSI's external and internal costs of removing such a counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after counterfeit parts have been exchanged.
In addition, SSI may unilaterally terminate this order for Convenience depending on the impact of the delivery of Suspect/Counterfeit parts on the Seller's overall performance on this order. Seller's warranty against suspect/counterfeit parts shall survive any termination or expiration of this Purchase Order. SSI reserves the right to seize and quarantine any / all suspected counterfeit products it receives from seller on this Purchase Order. Suspect counterfeit products may be forwarded to the Original Component Manufacturer and / or the appropriate Federal or State authorities for final analysis, possible confiscation and / or destruction. If products furnished by the Seller are determined to in fact be counterfeit, Seller agrees to reimburse SSI on the full purchase price paid as well as any shipping or 3rd party testing charges incurred by SSI.

SQM-20.0 Nonconforming Material

Suppliers shall begin containment action immediately upon discovery/notification of a nonconforming product/service. If a product escaped their facility and has been shipped to SSI, the supplier will immediately notify the respective SSI Material Manager. This notification must include a clear description of the nonconformity, and include as necessary, parts affected, SSI and/or organization part numbers, quantity, and date(s) delivered?

For product that has been found or suspected nonconforming prior to shipment to SSI, all requests for approval for "repair" or to be "used as is" must be submitted to SSI for approval and held at the supplier's premises pending receipt of documented approval. Any product dispositioned as "use as is" MUST NOT DEPART FROM SSI-SPECIFIED REQUIREMENTS.

Nonconforming products identified (1) at a supplier's facility, (2) returned from SSI's facility, (3) through performance testing, and/or field failures must be systematically analyzed to determine the root cause(s) of the nonconformance.

Supplier shall submit a formal written Corrective Action Response within 3 days from receipt of a Corrective Action Request (CAR) by SSI. Supplier will flow down the corrective action requirement to a sub-tier supplier (including key characteristics where required), when it is determined that the sub-tier supplier is responsible for the root cause

Failure to respond to a corrective action request may result in punitive action up to and including removal and/or suspension from the SSI Approved Supplier List/Register and may include cancellation of current order.

SQM-21.0 Supplier Certification of Conformance

Each shipment shall include a certification of conformance unless otherwise specified by contract. A supplier must provide certification of conformance for all items and processes specified on the Purchase Order or contract, for each shipment.

SQM-22.0 Special Process Certificates

In addition to the general certification, an additional special process certification is required. The certificate will contain at a minimum: The process performed, the specification number, revision level, purchase order number, part number, lot size, sample size, applicable process specifications/controls and applicable test results.

SQM-23.0 Raw Material Certificates

Raw materials supplied shall include a copy of the original mill certificate or material test report (certification) from a test lab acceptable to SSI. Raw material mill certifications may not be altered or have any markings other than check marks from verification of physical and chemical values and/or

indication of inspection acceptance. Stamps may also be applied by warehouses/distributors to add the SSI purchase order, poundage shipped, etc.

SQM-24.0 Defense Federal Acquisition Regulation Supplement (DFARS)

When required by contract, materials shall comply with all US Government requirements including country of origin and country where the material is processed.

SQM-25.0 International Traffic in Arms Regulations (ITARS)

When required by contract, the supplier is responsible for ensuring that all related transactions conform to the requirements of the International Traffic in Arms Regulations.

SQM-26.0 Shipment and Packaging Requirements

Supplier shall comply with all requirements for shipping, packaging and labeling. In the absence of specific requirements, suitable protection from corrosion, contamination and handling damage during transit is required (see SQM-33.3).

SECTION B – SUPPLIER APPROVAL

SQM-27.0 Introduction

The approval process is an ongoing, comprehensive supplier-monitoring and feedback procedure that optimizes total cost and quality and minimizes process variation. It requires performance measurements and reporting and communicating with the supply base and features a method of recognizing high-performance suppliers. Suppliers that are currently on approved suppliers list of SSI's Customers may automatically be added to SSI's Register of Approved Suppliers.

SQM-28.0 SSI Register of Approved Suppliers: Requirements

Suppliers must maintain an approved quality management system and acceptable performance levels in order to retain active status.

SQM-29.0 Third Party Inspection/Inspection Charges

In some risk-based circumstances, suppliers may be required to contract with specified third party inspection companies or pay for product inspection by SSI if quality performance falls below levels specified in the PO or contract.

SQM-30.0 Supplier Evaluation

SQM-30.1 New Suppliers

Potential suppliers may be added to the ASL based on several factors

including, but not limited to, submission of QPM certificates, review of web sites, telephone or on-site interviews, review of line cards and brochures, recommendations from other suppliers or customers, and / or evaluation of sample product provided. Where a "one-time" buy is identified, suppliers need not be added to the ASL. Only suppliers of product Technical Data Package (TDP) prescribed components must be monitored on the ASL. This does not include office supplies, shop supplies, etc.

NOTE: SSI utilizes, monitors and evaluates a core group of suppliers for the highest volume of supplies and/or services rendered; supplier selection is based upon the discretion of upper management.

SQM-30.2 **Customer-Approved Suppliers**

Suppliers pre-approved by our customers are required to adhere to the requirements identified in SSI contracts and/or purchase orders. Customer-approved suppliers failing to meet the requirements stipulated in this SQM will be reported to the customer source for further action.

SQM-30.3 **Approved Suppliers** – ***Continuous Evaluation***

Key suppliers are continuously evaluated based on in-coming inspection processes, including the use of Discrepancy Reports (e.g., too early, incorrect quantities, quality issues, not per PO requirements/terms) and quality discrepancies identified in the manufacturing process. Based on the discretion of QA, appropriate action will be taken.

DRs are periodically reviewed at management review meetings, and any necessary action resulting from supplier nonconformances is acted upon and recorded at this time.

Suppliers failing to meet contract requirements may receive a request for Corrective Action along with a score updating their current quality standing. Suppliers shall respond to all requests within the timeframe defined on the report. A Discrepancy Report may be issued in lieu of a CAR where it is determined that the deviation from P.O. or product specification can be effectively be resolved without formal Corrective Action.

SECTION C – PURCHASE ORDER TERMS AND CONDITIONS

SQM-31.0 Formation: Offer, Acceptance; Exclusive Terms

SQM-31.1 Each Purchase Order, together with these terms and conditions is an offer by SSI to enter into the agreement it describes and shall be the complete and exclusive statement of such offer and agreement.

SQM-31.2 A contract is formed when the seller accepts the Purchase Order and the terms and conditions of SSI by shipment of goods, performance of services, commencement of work on goods, written acknowledgement, or any other conduct of the supplier that recognizes the existence of a contract.

SQM-32.0 Quality

SQM-32.1 The supplier shall meet all quality requirements of SSI and its customers, including, but not limited to, the applicable quality management system requirements (ISO 9001, AS9100, etc.) and any other customer specific requirements, product safety, awareness, and ethical behavior practices.

SQM-32.2 The supplier must maintain adequate documentation, implementation and maintenance of a functioning quality management system while continually improved its effectiveness in accordance with contract requirements to ensure that all goods provided to SSI and its customers conform to all specifications, drawings, quality, and performance requirements under the terms of the Purchase Order.

SQM-32.3 The supplier may be held responsible for any and all costs associated with nonconforming product or services provided by the supplier including, but not limited to, SSI's raw material cost, added value cost, quality issue investigation, administrative costs, containment and remedial actions (including third party activities identified by SSI or its customers).

SQM-32.4 SSI or its customers may reject and return at the supplier's risk and expense, or retain and rework, goods received that fail to conform to the requirements of the Purchase Order or any other specifications within that order. The supplier shall replace any nonconforming goods with conforming goods unless otherwise notified by Purchasing.

SQM-33.0 Delivery

SQM-33.1 Deliveries shall be made both in quantities and at the times specified on the Purchase Order by SSI. The supplier shall adhere to all shipping directions from the Purchasing Department and/or directions on the Purchase Order.

SQM-33.2 Premium shipping expenses and/or other related expenses necessary to meet the delivery dates set forth in the Purchase Order shall be the sole responsibility of the supplier, unless the delay was solely the result of SSI or its customers and the supplier provides notice within 10 days of the occurrence.

SQM-33.3 The supplier agrees to properly pack, mark and ship goods in accordance

with the Purchase Order requirements and/or customer-specific requirements. The marks on each package and identification of the goods on the packing slips, bill of lading, and invoices shall be sufficient to easily identify the goods purchased. Supplier will utilize commercial best practices when no requirements are specified.

SQM-34.0 Changes

SQM-34.1 Without prior approval from SSI, the supplier shall not make any changes to any SSI Purchase Order, including goods and/or services covered by Contract and/or Purchase Order, such as, but not limited to:

- Any third party supplier to the supplier of services, raw materials or goods used by the supplier;
- The facility from which the supplier operates;
- The price of any of the goods or services;
- The nature, type or quality of any goods or services, raw materials or goods used by the supplier or its sub-tier suppliers;
- The fit, form, function, appearance, performance; and
- The production method or any process in the manufacturing of any goods.

SECTION D – AMENDMENT RECORD

SECTION	DATE	PAGE(S)	DESCRIPTION	REV	APPROVAL
ALL	08/01/09	ALL	Initial release of SQM	1	KH
	11/15/12			2	KH
	09/16/13			3	KH
31.0	11/19/13	11	Amended 31.0	4	KH
10; 33; D	09/01/14	13	Removed section 10 and 33; added section D	5	KH
All	10/12/16	All	Address/Fax Number Change	6	SC
19.0	11/6/17	7	Added 19.0 (Suspect / Counterfeit Parts)	7	ER
6.0	9/10/19	4	Added section 6.3	8	JL
5.0 and 17.0	10/20/23	3, 7	Removed all language from section 5.0 and added destruction or return of documents in section 17.0	9	JL