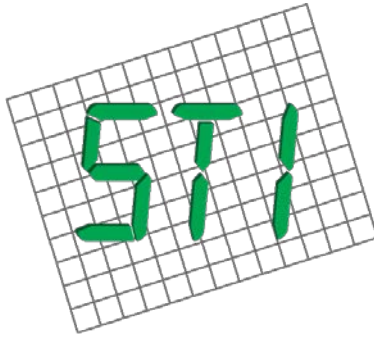


## SUPPLIER QUALITY ASSURANCE REQUIREMENTS

For All Systems Technology Inc. Suppliers

1. **SCOPE** – This document is provided to inform you, the supplier, of the basic quality requirements and procedures that must be met by you and your suppliers before material or product will be accepted at Systems Technology Inc. (STI).
2. **INSPECTION SYSTEM** – You are responsible for maintaining a quality management system that will assure the production and (on-time) delivery of a quality product and to require the same performance from your suppliers.
3. **DISCREPANT MATERIAL** – It is STI's policy that all purchased materials or items meet all requirements set forth in the PO or accompanying PO documents (i.e. drawings, process requirements, testing or inspection instructions). If there are any questions related to the conformance of procured materials or PO document item requirements (i.e. drawing revisions) you should contact the Purchasing Dept. personnel who placed the order with you.  
  
**DO NOT** – Ship any nonconforming parts to STI without express authorization to do so. If you receive such authorization, segregate the discrepant material from the conforming portion and mark it clearly. Nonconforming product that remains at your facility is to be rendered useless/unusable before discarding.  
**DO NOT** – Change any special process, part specification(s), material, testing specification, manufacturing facility location, without notification to STI for approval.
4. **SPECIAL PROCESS AND MATERIAL CERTIFICATION** – When our documentation calls for special processes such as cleaning, joining (welding, braze, adhesive, etc.), chemical coatings acid etching, impregnating, heat treating etc. – you are responsible for submitting evidence of certification of your own or your sub-contractor's special processes by accompanying shipped part(s). Raw material not furnished to you by STI will require objective evidence that material used meets all specified criteria of the Purchase Order.
5. **PROPRIETARY INFORMATION AND INTELLECTUAL PROPERTY** – All drawings, instructions, material, samples, written correspondences, etc. associated with conducting business with STI is considered proprietary and may not be used, reproduced, or disclosed to any other parties for any other purpose without the expressed written permission of STI. All evidence (records) are to be obtained and made available to STI (upon request) during the period of conducting business and retain thereafter in a damage free environment until notified by STI. Disposal request of any proprietary or intellectual property shall be made in writing to STI.
6. **RIGHT OF ACCESS** – During the course of doing business STI retains the rights to access; customers, regulatory authorities, to the applicable areas of facilities, at any level of the supply chain, involved in the order(s) and to all applicable records.
7. **APPROVAL OF PRODUCT, PROCEDURES, PROCESSES AND EQUIPMENT:** - STI reserves the right to subject all supplied material to inspection/review in accordance with inspection plan either produced by STI at the Supplier's plant or your plans that shall contain the operational sequence and inspection/check points in relation to Procurement, Manufacturing, Assembly (where applicable), Verification and Delivery, along with your system for calibration of all measuring and test equipment used for the fulfillment of this contractual requirements. The calibration system shall be coordinated with the inspection or Quality Systems and shall be designed to provide adequate accuracy for measuring and test equipment used in the inspection/test of the item supplied. STI maintains the right to request documents that show methods and processes that qualified personnel to perform special processes

8. **FIRST ARTICLE/TEST SAMPLES:** - When an Initial First Article Sample is required, the Supplier must provide certification that the Initial First Article Sample was manufactured at the same facility in which the component is to be produced for the contract, using the same production methods, processes, equipment and materials. If your company requires changes, after a First Article sample has been submitted, that's different from any of the original "production methods, processes, equipment and or material A "NEW" First Article may be required at your cost per STIs decision.
- 9.. **DESIGN, TEST, INSPECTION, VERIFICATION FOR ACCEPTANCE:** - The Supplier shall submit *if requested* with each shipment a Visual and Final Inspection Report for the delivered end items or assemblies to include; Part number; Revision number; Nomenclature; Purchase order number; Lot number; Lot quantity; Inspection sample size; Characteristics/parameters (*critical characteristics included*)/inspected/tested. Test results shall be submitted *if requested* that identifies the test/analysis requirements and results for each property/characteristic identified in the PO description and/or specification referenced in a PO accompanying document which include; Name and address of supplier; PO number; Identification of material by: specification, revision, amendment and dates together with type, grade, size, etc.; Quantity passed/rejected by characteristic; Actual test results obtained must be reported and identified by reference to applicable requirements; Quantity tested, sample size and specimen type, as applicable; Date, name (typed or printed), signature and title of an authorized representative of the supplier that is attesting to the accuracy of the test report.
10. **CERTIFICATION OF CONFORMANCE:** - *if requested* with each shipment of items covered by the Purchase Order, the Supplier shall submit a certification of conformance. The preferred method of submission is in an electronic format (i.e., Microsoft Word, Excel, or compatible format so that data may be extracted). A responsible representative of the Supplier must sign this certification. The certification must attest that: Materials used are those that have been specified by STI; Processes used in fabrication of items delivered were in compliance with applicable specifications forming a part of this PO; the items, as delivered, comply with all specifications and requirements of this PO. The following information, as a minimum, must also be included on the certificate; Name and address of the Supplier; Contact name and phone number; Purchase order number; Purchase Description number and the revision of the Purchase Description the material is produced to; Suppliers material lot number; Part Description; Date material was manufactured; Date shipped; Quality ordered, Quantity delivered; STI part number/material code
11. **PREVENTION OF COUNTERFEIT PARTS:** - For the purpose of this section, the term "goods" consists of those commodities delivered that are the lowest level of separately identifiable items (e.g., articles, components, standard hardware, goods, and raw materials). "Counterfeit goods" is defined as; **Goods that are, or contains, items misrepresented as having been designed and/or produced under an approved system or other acceptable method;** **Goods that are an unauthorized copy or substitute of an Original Component Manufacturer (OCM)\Original Equipment Manufacturer (OEM);** **Goods that are not traceable to an OCM\OEM sufficient to ensure authenticity in OCM\OEM design;** **Goods that do not contain proper external or internal materials or components required by the OCM\OEM or are not constructed in accordance with OCM\OEM design;** **Goods that have been re-worked, re-labeled, repaired, refurbished as OCM\OEM authentic or new;** **Goods that have not passed successfully all OCM\OEM required testing, verification, screening, and quality control processes.**
- Suppliers shall have established and maintained a Counterfeit Parts\Material Prevention and Control Plan that ensures that counterfeit "goods" are not delivered to Systems Technology Inc... The purpose of the control plan shall be to develop a process to prevent the delivery of counterfeit commodities and control commodities identified as counterfeit where applicable.
12. **ETHICS POLICY:** - STI expect our suppliers to operate in a manner that actively manages risk, STI expects our suppliers to have management systems in place to support compliance with laws, regulations, and expectations related to or addressed expressly within this SQAR, STI expects our suppliers to *accurately* record, maintain, and report business documentation, STI suppliers *must comply* with the anticorruption laws that govern operations in the countries in which they do business, STI suppliers must, at a minimum, perform all duties and expectations in compliance with all laws and regulations applicable to their business, STI expects our suppliers to comply with applicable safety and health laws, regulations, policies, and procedures. STI expects our suppliers to treat people with respect and dignity, encourage diversity and diverse opinions, promote equal opportunity for all; STI expects that suppliers promote work place ethics (*employees*) observing; professionalism, moral attentiveness, trustworthiness, respectful of confidentiality, honesty, integrity & competency in performing their job.



# SYSTEMS TECHNOLOGY INC.

Custom Automation & Manufacturing

## SUPPLIER QUALITY ASSURANCE SYSTEM REQUIREMENTS

SQAR – FM-QLT127 Rev3

### REVISIONS

DATE	REV	REVISION & ADDED PAGES	REMARKS
1/25/2017	0	Origination	
5/3/2017	1	Released to Web-Site	
6/5/2017	2	Revised to meet AS9100C 7.4.2	Changes required due to STAGE II Audit NCR3
11/14/2017	3	Added section 11 to cover Counterfeit Parts	For AS9100D
5/01/2018	4	Added section 12 to cover Ethics	For AS9100D

## Supplier's Quality System

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