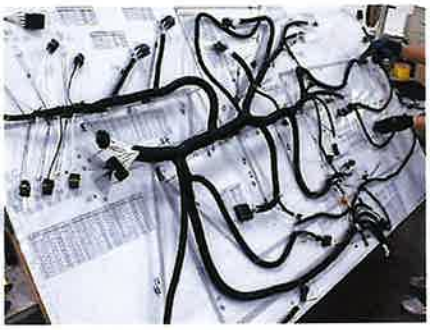
Welcome to DSM&T

The Electrical Interconnect Contract Manufacturing Specialist

From Power Connectors to Wiring Harnesses, Electrical Interconnect is our specialty. Since 1982 DSM&T has provided OEM's in various industries the right products and solutions they need to stay ahead of the competition.

MOISTURE BLOCK®



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1.0 Introduction

1.1 Overview

DSM&T is committed to meeting or exceeding customers' quality needs and expectations. Suppliers play a vital role in helping us achieve customer satisfaction.

DSM&T suppliers are viewed as being fully responsible for the quality of their products. Therefore, they must ensure products and services are delivered in conformance to the required standards. It is our expectation that DSM&T will receive defect-free product. It is the supplier's responsibility to request an authorization to deviate from the purchase orders or the Supplier Quality Manual (SQM) before shipping the product if the product is not to the Purchase Order Specification. Failure to do so may result in a formal request for corrective and preventive action from the supplier and / or debit cost(s) incurred.

The Supplier Quality Manual is the property of DSM&T and is issued for reference to our suppliers. This document is maintained electronically, and can be found at:

http://www.dsmt.com/terms

Printed copies of this manual are considered uncontrolled.

1.2 Scope

This SQM standard applies to suppliers of raw material and services and parts. Acceptance of any and all purchase orders from DSM&T constitutes acceptance and commitment on behalf of the recipient to comply with this SQM's content. This manual establishes minimum requirements, is supplemental to, and does not replace or alter any purchase agreement.

1.3 Customer Responsibilities

DSM&T works to develop a strong alliance with our supplier base. To help suppliers perform to their capability DSM&T is obligated to:

- Set clear requirements
- Review requirements with the supplier to ensure a mutual understanding
- Provide timely and accurate feedback on supply base performance
- Act as a resource to improve supplier performance
- Actively seek supplier involvement with emphasis on continuous improvement
- Communicate and negotiate appropriate lead time for order placement, manufacture and delivery
- Maintain open communication to discuss growth plans and concerns

2.0 Supplier Quality Expectations

2.1 Quality System Requirements

DSM&T's Quality Management System is based on the ISO 9001 quality system requirements. Suppliers not certified to ISO 9001 (as a minimum), may be subject to a quality system assessment by DSM&T.

If not ISO certified, the minimum that should be documented and maintained is as follows:

- Methods in place to create product, service, and process consistency
- Training documents in place to help employees be more successful
- Methods in place to confirm equipment in use is functioning properly
- Methods in place to respond to non-conformances and corrective actions in a timely manner
- Methods in place to segregate the materials in question if a problem does occur
- Regulatory and human rights responsibilities

Suppliers have the responsibility to provide products and services that meet all end customer quality specifications. For some products, DSM&T may require evidence that the supplier / subcontractor flows down all applicable statutory and regulatory requirements and special product and process characteristics to point of manufacture.

2.2 Incoming Product Document / Labeling Requirements

DSM&T's goal is to minimize the amount of time on incoming inspection of suppliers' products. Therefore, it is the responsibility of the supplier to provide a certificate and / or statement(s) of compliance to be issued with every order or in a blanket format. Blankets will be renewed annually.

The certificate and / or statement(s) of compliance shall state:

- Supplier Name
- Supplier conformance to the purchase order and / or product specifications
- Type of material / product being supplied
- Construction of material / product supplied
- Material lot / batch number
- Compliance to RoHS / REACH / CA Proposition 65
    - If non-compliant please provide information about how the materials do not comply
- Free of Conflict Minerals (copy of CMRT latest version maybe required)
- Other regulatory requirements as requested
- Country of Origin
- Signature and Date from a designated representative

Packing slips must contain:

- Purchase order number
- Supplier Part Number
- Date of Manufacture
- Date of Expiration
- Storage Condition (if applicable and / or modifies expiration date)
- Supplier Lot Number
- DSM&T item number
- Quantity ordered and quantity shipped
- Certificate of Origin

If supplier is unable to provide for the above items on their packing slip, please contact DSM&T purchasing to discuss other options.

The supplier is responsible for retaining appropriate evidence to confirm compliance upon request.

Safety Data Sheets shall be provided prior to shipment (send electronically to quality@dsmt.com).

Shipments received without a certificate and / or statement(s) of compliance or without a current blanket certificate / statement on file will not be received.

When requested a PPAP or FAIR documentation will be required.

2.3 Documentation of Provided Services

Subcontracted services may be subjected to audit and / or incoming inspection. Audits will be based on pre-determined expectations of deliverables.

2.4 Counterfeit Items

Under no circumstance are counterfeit items either products or software to be shipped to DSMT. Counterfeit items will be documented, supplier notified, and item destroyed and not returned to supplier to prevent re-entry into the supply chain. And, will be deducted from any amount owing to the supplier of the invoice.

2.5 Limited Life Materials: Remaining Life and Labeling Requirements

Remaining Shelf Life: The supplier shall not submit limited-life material(s) with less than 75% of the useful life remaining without written approval from DSM&T in the form of an approved Supplier Deviation Request.

2.6 First Article Inspection

DSM&T may perform First Article Inspections under the following conditions:

- New Supplier
- New Part Number
- Revision Change

- Same Manufacturer but lapse between production runs
- Verification of implementation of Corrective and Preventative Action(s)
- Change of Ownership

2.7 Corrective Action

DSM&T suppliers are responsible for providing defect-free product. If defective product is found, a Nonconforming Product Report (NPR) will be issued, the supplier will be contacted and a Corrective Action Request (CAR) may be issued.

An NPR or CAR may be issued for but is not limited to the following:

- Nonconforming product
- Missing certificates of compliance
- Improper packaging or labeling
- Identified process improvement
- Other issues as deemed appropriate by Purchasing and / or Quality

Communication to the supplier will be initiated via a Nonconforming Product Report (NPR):

- This will be reflected in the supplier's quality and, possibly, delivery rating.
- If a corrective action response is deemed necessary (chronic or frequent occurrence) then a Corrective Action Request (CAR) will be issued.
- The supplier is expected to respond in a timely manner to any quality or delivery issues. Response timing and content requirements are as follows:

Initial response within 24 hours of notification including:

- Containment plan to hold and inspect all product at supplier facility.
- Disposition of any product in transit, at DSM&T and at DSM&T customers including authorization to return for credit, sort / rework at supplier expense or hold for supplier review.
- Timing to replace product with certified product (product that has been 100% inspected for defects). All certified stock must be identified as such.

Corrective actions to be completed within 14 calendar days of receipt of request including:

- Members involved
- Problem description
- Interim containment

} This portion to be completed within 24 hours

- Root cause analysis
- Permanent corrective action
- Verification of corrective action
- Prevention and request for additional time to complete (including estimated time frame for completion) if applicable

Suppliers issued a corrective action may be required to pass 3 consecutive incoming product audits prior to corrective action closure (at discretion of DSM&T's Quality Manager's Review).

2.8 Request for Deviation

Suppliers shall not make any changes in product construction or manufacturing processes without prior customer approval. This also includes reworked or repaired product. A product deviation is used when a specific quality of product being shipped or used is not compliant with the specified drawing, purchase order or specifications.

Deviation requests shall be submitted in writing by the supplier to DSM&T and approved before goods and / or services are delivered.

Changes to any of the following will require deviation:

- Manufacturing processes or locations
- Supply
- Product formulations
- Product identification
- Physical / Chemical properties
- Ownership of the company

DSM&T requires formal documentation of deviations.

2.9 Charge-Back Policy

Costs associated with supplier product quality issues that are the supplier's responsibility may be charged back to the supplier. Quality issues as a result of supplier product or services will result in discussions with the supplier to determine disposition and develop plan to reduce end customer impact. Accountabilities, possible rework activities, credits / debits may be discussed and negotiated based on circumstances of issue.

These charges may include but are not limited to:

- Deviations
- Expedited freight
- Customer shutdown charges
- Inspection fees
- Charge-back costs incurred by the end customer
- Any additional costs incurred by DSM&T as it directly relates to the quality of the product supplied
- Direct wastes

If the reject(s) cause downtime, re-inspection, rework, the supplier may choose to use DSM&T standard rate of $50 per hour to perform the in-house inspection.

2.10 Regulatory Reporting

DSM&T requires our suppliers to comply with all current and applicable regulatory requirements. Depending on product type this may include:

- **RoHS** - Restriction on Hazardous Substances
  - RoHS is a European Union (EU) initiative and defines a specific list of chemicals that are restricted or prohibited above a certain concentration. It is the responsibility of each supplier to submit the necessary, complete and correct information
- **REACH** - Registration, Evaluation, Authorization and Restriction of Chemical Substances
  - REACH defines a requirement to report chemicals that are manufactured, imported or contained in articles that are manufactured or imported into the European Union, EU. DSM&T requires suppliers to re-certify REACH compliance each time additional substances are added to the SVHC list.
- **Conflict Minerals** - Natural resources extracted in a conflict zone. (Dodd-Frank Act) Section 1502
  - DSM&T requires suppliers to provide supply chain information (to include smelter identification) at initial purchase and after any applicable change within supply chain for products containing Tungsten, Tantalum, Tin, and Gold.
- **Other Regulatory Requirements** – Goods and materials DSM&T purchases may have additional requirements. Suppliers must provide documentation that satisfies these regulatory requirements. Requirements will be communicated within the Purchase Order, Customer Print or additional written specifications.

To achieve this RoHS, REACH, Conflict Minerals certificates and WEE Directive, Biocidal Properties Regulations, Asbestos and California Prop. 65 regulations: statements of compliance are required for products supplied to DSM&T. These documents shall indicate compliance or non-compliance of the product provided. DSM&T is committed to these regulations and a supplier's ability to conform will be taken into consideration when building or continuing business relations.

3.0 Purchasing Expectations

3.1 Supplier Assessment

The Supplier Survey Questionnaire assessment is required to verify potential new suppliers have the appropriate quality and business systems in place. These systems will need to meet the minimum requirements of DSM&T. The Supplier Survey Questionnaire is also used to verify that current suppliers have maintained their quality and business systems. The supplier assessment needs to be completed and returned to DSM&T prior to becoming an Approved Supplier. This includes suppliers that have not met DSM&T performance expectations and suppliers that are not ISO 9001 certified.

A Supplier Quality System Review or Audit may be performed at the supplier's manufacturing location by a DSM&T representative.

3.2 Supplier Status

- Contingent – Still in the approval process
- Probation – Approved supplier that has a score lower than 90% for three consecutive months or a Corrective Action has been issued and not resolved
  - A supplier on probation may:
    - Be asked to provide a "FAI" on three consecutive orders at no charge
    - Be placed on the "Incoming Inspection" list requiring three consecutive audits to be passed
    - Complete an additional Corrective and Preventive Action
- Approved – Supplier has submitted proper documentation and is in good standing

3.3 Supplier Responsibility

DSM&T contingent suppliers are requested to provide an up-to-date copy of:

- Completed Supplier Survey Questionnaire
- Supplier Quality Manual Acknowledgement (Appendix 7.1)
- ISO / Other certificate (if Applicable)
- Signed Non-Disclosure Agreement
- W-9 Form
- Disaster / Contingency Plan
  - Disaster / Contingencies are to include plans to ensure continuity of product supplied to DSM&T in the event of a business interruption
  - Applicable Regulatory Information

3.4 Terms

Supplier agrees to DSM&T Purchase Order Standard Terms of Conditions and payment terms of Net 60 Days

4.0 Labeling, Packaging and Shipping Requirements

4.1 Labeling Specifications

Each package to be clearly labeled with the following when applicable:

- Supplier part number
- Lot number
- Manufacture date
- Expiration date
- Barcodes (if specified on Purchase Order)
- DSM&T part number

Special labeling requirements may be noted on the purchase Order.

4.2 Packaging Specifications

Packaging of products shall be done in a manner to ensure product integrity during shipping and handling. Product shall be received clean and absent of foreign material and / or debris.

In addition, suppliers are responsible to identify and communicate any packaging changes, improvements, etc. Special packaging requirements may be noted on the purchase order.

4.3 Shipping Specifications

Shipping method and terms are designated on the purchase order unless agreement has been reached for supplier to pay shipping cost. Suppliers are responsible for adhering to shipping instructions on the Purchase Order. DSM&T must be contacted for any deviation from instructions prior to shipping. DSM&T must approve collect "premium" freight methods if used in order to meet confirmed delivery date. Advanced notice to be given on any shipping or delivery delays beyond the due date specified on the confirmed purchaser order.

A subcontract product or service provided directly to the customer requires a tracking number for proof of delivery.

5.0 Supplier Performance and Evaluation

5.1 Introduction

Supplier report cards are communicated on a quarterly basis. The purpose of this rating is two-fold: (a) it provides objective comparison of a supplier's performance and (b) it is a tool to benchmark the supplier's competitiveness in the marketplace. DSM&T wants to ensure that our ratings are accurate and effective. If a supplier feels there is a discrepancy in their rating report, they should contact DSM&T Quality Manager within 2 weeks of the report date.

5.2 Supplier Score Rating Criteria

Suppliers are rated on the following criteria:

- OTD – On Time Delivery
- Quality / Warranty Percentage of Sales (WPS)
    - Non-Conforming Product
    - Corrective Actions
    - WPS of non-conforming material
- Service and Responsiveness
    - Response to requests
    - Response to quality issues
    - Notification of changes affecting delivery

These criteria will be weighted based on severity and influences on the overall supply chain as it affects the customer.

6.0 Terms and Definitions

Audit: Systematic, autonomous and documented process for obtaining and objectively evaluating evidence to determine the extent to which certain criteria is fulfilled.

Buyer: shall mean DSM&T (here after denominated only as DSM&T) legal entity identified as the Buyer in the applicable contracting document (e.g., purchase order or supply agreement). The term "buyer" is used interchangeably with the term "DSM&T" in this Supplier Quality Manual.

Control Plan: Methodology to ensure all process outputs remain in a state of control. The plan is used and maintained throughout the product life cycle and is responsive to changing conditions via written descriptions of the actions required at each phase of the process from receiving through shipping.

Counterfeit: Items that are not from the Original Manufacturer or Approved as being of Original State. A counterfeit item is defined as an unauthorized copy, imitation, modified, or knowingly or unknowingly misrepresented. Note - Examples can include false identification, markings, labels, grade, serial number, date codes, documentation, performance characteristics. Items identified as being Counterfeit, "will not be returned to the supplier". The item in question will be documented and destroyed to prevent re-entry into the supply chain.

Critical-To-Quality (CTQ): Any product feature, component, material, assembly or complete system which has a direct impact on safety, regulatory requirements or reliability and that, when non-conforming, can derive in high impact to the brand / high cost / high interest.

Distributor: Any party in supply chain – other than the original manufacturer – providing production material. This category includes but is not limited to; re-processors, re-packagers, forwarding agents, brokers, and traders.

Defect / Non-Conformance: Non-fulfillment of a requirement related to an intended or specified use, including safety considerations and regulatory requirements.

Defective Parts Per Million (DPPM): Reject rate determined by number of parts rejected divided by the number of parts received times 1,000,000 in-a-given period of time.

Failure Modes and Effects Analysis (FMEA): A preventive analytical technique to methodically study the cause and effects of potential failures in a product or a process. The product or process is examined for all the ways in which a failure can occur. For each potential failure, an assessment is made of its effect on the system and its seriousness, and a review is made of the action being taken (or planned) to minimize the probability of failure or to minimize the effects of the failure.

New Business Hold (NBH): A supplier status on which the supplier shall not be considered from quoting or receiving new business until deficiencies identified by DSM&T are satisfied. The supplier may be removed from the Approved Supplier List if the deficiencies that led to this status are not addressed.

Part Qualification Process: Defines generic requirements for any new part or change to an existing part or process approval, including production and bulk materials. The purpose is to assure that DSM&T's design specification requirements are properly conveyed and understood by the supplier. The supplier shall

demonstrate that the manufacturing processes have the potential to produce product consistently meeting these requirements during an actual production run at the quoted production rate.

Part Qualification Requirements (PQR): For any new part or change, the supplier shall receive this form from DSM&T, it lists the requirements to complete in order to have the part or change qualified.

Part Submission Warrant (PSW): The warrant contains details on the change, supporting documentation for each required item on the PQR and the supplier application warrant. The approval that authorizes the supplier to start production based on PO requirements will be given via return of this letter signed by DSM&T's SQE or QM.

Process Capability Studies: Statistical tool to evaluate a process and determine if it is capable to consistently produce conformant parts.

Preventive Action: Action to eliminate the cause of a potential non-conformance or other undesirable situations.

Quality Management System (QMS): A formalized system that documents the structure, responsibilities and procedures required to achieve effective quality management. Supplier: Shall mean the legal entity identified as the supplier in the applicable contracting document (e.g., purchase order or supply agreement).

Supplier Corrective Action Request (SCAR): A formal request to act to eliminate the cause(s) of an existing non-conformance or other undesirable situation in order to prevent recurrence.

Revision History

Revision	Originator	Release Date	Description of Change	Updates
~	Gregg Donahey	2015 – 01.15	Release of SQM	
1	Gregg Donahey	2020 – 02.18	B-Version replaces the prior 2016-01.15 with the following changes: 1- Corrections to errors throughout the manual 2- Update Preface 3- Added Web-site Links 4- Added Flow Down statement 5- Added Counterfeit Items 6- Added Regulatory Reporting 7- Added Supplier Assessment 8- Added Suppler Status 9- Added Label, Packaging, & Shipping Requirements 10- Added Charge Back Policy	This Revise includes changes, additions, and updates to the SQM

***Any printed copy of this document is considered as an "Uncontrolled Copy".**
The Latest Version of the Supplier Quality Manual can be found on DSM&T's website.

Appendix 7.0

7.1 Supplier Quality Manual Acknowledgement Receipt

Please sign and return this page as an acknowledgement of receipt and acceptance of terms outlined in DSM&T Supplier Quality Manual. Acknowledgement should be returned within 2 weeks of receipt. If the Supplier Quality Manual Receipt Acknowledgement is not received within this time period, DSM&T will consider suppliers' acceptance of this manual.

	DSM&T Co., Inc.
Company Name	Company Name
Signature	Signature
	Marco Granados
Printed Name	Printed Name
	Quality & Regulatory Compliance Manager
Title	Title
	November 29, 2021
Date	Date