



EP-QC-1159

Supplier's General Requirements

Revision **AM**

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EaglePicher Technologies, LLC

Revision Page

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1.0 SCOPE

This document defines EaglePicher Technologies supplier's requirements to plan and control parts, materials, and services in order to assure that all specifications and contractual requirements are met. The requirements herein apply to both manufactures and distributors.

2.0 SUPPLIER LEVELS

Supplier levels are assigned to each EaglePicher supplier based on the level of critically of products supplied. See below table for supplier levels.

LEVEL 1	LEVEL 2	LEVEL 3
<i>Suppliers providing Special Processes or Critical Items for parts, materials, or services utilized in product related items.</i>	<i>Suppliers providing parts, materials, or services not classified Level 1, but are utilized in product related items.</i>	<i>Suppliers providing non-product related materials and supplies.</i>
Include, but are not limited to: 1. Fasteners (Screws, Nuts, Bolts, Washers, etc.) with Special Processes. 2. Headers (Glass-to-Metal Seals) 3. Containers / Cell Cases 4. Chemical Processing 5. Welding 6. Soldering 7. Nondestructive Testing 8. Plating 9. Heat Treating 10. Sole Source Suppliers 11. Electronic Components 12. OEM / OEM-Authorized / Franchised distributor of Electronic Component Parts.	Include, but are not limited to: 1. Machined Products 2. Molded Products 3. Raw Materials (Metals, Chemicals, Powders, etc..). 4. COTS Fasteners (Screws, Nuts, Bolts, Washers, etc.) 5. Solder and Flux 6. Labels 7. Shrink Tubing 8. Wire 9. Potting & Adhesive Material 10. Insulating & Separating Components 11. Electrodes 12. Tubing 13. COTS items 14. Machined tooling, acceptance gages and/or dies used to control product (form, fit or function) related items. 15. Calibration Service Providers. 16. Testing Service providers other than Nondestructive Testing.	Include, but not limited to: 1. Janitorial Supplies 2. Office Supplies 3. Computer/Copier Supplies 4. Gloves 5. Cotton Wadding/Balls 6. Packaging 7. Cardboard Boxes 8. All machining/metal fabricated items other than those listed for Level 1 or Level 2. (Non-Product Related).

If any gauge or equipment is found to be out of tolerance during a normal scheduled calibration, the Supplier shall determine if any product built and delivered to EaglePicher has been negatively impacted. If so, the Supplier shall notify EaglePicher immediately of the potential for a dimensionally nonconforming tool, fixture, or gauge.

3.6 Corrective Actions

Supplier shall have a process to review non-conformances, determine the cause of non-conformances, and provide corrective action to prevent recurrence.

When non-conforming materials are found at EaglePicher, the Supplier may be issued a corrective action request. The Supplier shall take prompt action to ensure the nonconforming product is contained, root cause of the problem is identified, and proper actions are put in place to prevent recurrence in the process. An adequate corrective action plan shall be submitted to EaglePicher within 10 business days, including responsibilities and planned completion dates. EaglePicher will track completion of the action plan with the supplier.

3.7 Manufacturing Control & Inspection

Supplier shall implement, document, and maintain procedures and work instructions, as necessary, for all employees having responsibilities for the operation of the processes that impact product quality.

Supplier shall establish a training program to train any personnel whose job function affects product quality. Suppliers shall ensure that persons are aware of their contributions to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

When special processes are used by the Supplier, the Supplier will assure specification requirements, adequate facilities, appropriate procedures, and certified / qualified personnel and equipment are in place to support those special processes.

Supplier shall provide for in-process and final inspection and testing to assure that manufactured product complies with EaglePicher purchase order requirements.

When the Supplier elects to use statistical methods for the acceptance of products or processes, such methods shall be in accordance with the latest revision of ANSI/ASQ Z1.4 with the criteria of lot acceptance at zero ($C = 0$).

Supplier shall have a lot identification system that distinguishes one lot from another when shipping finished product. All lots shall be traceable back to the raw or component materials lots used in the manufacturing of the finished product.

4.0 SUPPLIER QUALITY ASSURANCE PROCUREMENT PROVISIONS

4.1 First Article Inspection (FAI)

A First Article Inspection (FAI) is required to initially qualify a first time build of a part.

A new FAI is required whenever any of the following events occur:

- A change in design affecting fit, form, or function of the part.
- A change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling or materials, that can potentially affect fit, form, or function.
- A change in numerical control program or translation to another media that can potentially affect fit, form, or function.
- A natural or man-made event, which may adversely affect the manufacturing process.
- A lapse in production for two years or as specified by the Purchase Order.

records or other objective evidence as requested for review by (DJOH3LFKH) its right of access shall be flowed down to sub-tier suppliers.

4.12 Packaging & Shipping Requirements

Packaging shall conform to all the requirements specified on the drawing, specifications, and purchase order. Packaging designed to prevent product contamination, deterioration or loss, and to preclude any shipping damage.

Certificate of Compliance (C of C) and/or Certificate of Analysis (C of A) is required with each shipment to (DJOH3LFKH) shall be packaged and sent with the product.

Copies of all Materials Certifications used shall be submitted with the C of C.

4.13 Supplied Property Control

Government Furnished Property

When the Government, in support of (DJOH3LFKH) purchase orders, furnishes property the Supplier shall maintain a system for the inspection, protection, and control of this property. Supplier will report to the applicable Government representative any Government furnished property (GFP) found damaged, malfunctioning, or otherwise unsuitable for use. Supplier will protect deficient GFP to prevent further damage or additional repair costs.

(DJOH3LFKH) Furnished Material & Tooling

When the Supplier uses materials or tooling furnished by EaglePicher, the Supplier shall:

- Verify identity, quantity, and completeness.

- Examine to detect damage from transit.
- Identify for inspection status.
- Protect from improper use or disposition.
- Promptly notify EaglePicher when material or tooling is found damaged, malfunctioning, or otherwise unsuitable for use.
- Assure modification or repair of material or tooling is not performed without EaglePicher written approval.

4.14 Parts Obsolescence

When the Supplier determines that one or more parts or materials involved in the production of any of the requirements contained in EaglePicher purchase orders becomes obsolete or is in danger of being discontinued, the Supplier shall provide written notification to EaglePicher as soon as possible. This notification shall include a “Last Time Buy Notice” prior to any action to discontinue any item on EaglePicher purchase orders.

4.15 Solder Applications

Solder applications shall be in accordance with drawing or specification per the latest revision in effect of IPC J-STD-001. The applicable requirements of the IPC standard (including product class – see 1.3) (D1 D2 D3) shall be imposed (See 1.9) on all applicable subcontracts, assembly drawing(s), documentation, and purchase orders. Unless otherwise specified, the requirements of this standard are not imposed on the procurement of commercial-off-the-shelf (COTS) or catalogue assemblies or sub-assemblies.

4.16 Responses to Industry Alerts

Supplier shall promptly respond to all of EaglePicher requests for information regarding EaglePicher investigation into Industry Alerts.

5.0 SUPPLIER EVALUATION & RE-EVALUATIONS

- A. For initial supplier evaluations, each Level 1 and 2 Supplier will complete an EPT Supplier Evaluation form.
- B. The results of this evaluation will determine EPT's initial supplier disposition and approval status.
- C. New Level 1 Suppliers may be required to have an initial on-site assessment.
- D. Suppliers will be re-evaluated every three years by completing a Supplier Re-Evaluation form.

6.0 SUPPLIER PERFORMANCE

6.1 Overall Supplier Rating (OSR)

Supplier performance will be measured monthly by the Overall Supplier Rating (OSR). The OSR is a combined rating based upon the quality and delivery rating.

$$\text{OSR} = (\text{Quality Rating} \times 60\%) + (\text{Delivery Rating} \times 40\%)$$

$$\text{Quality Rating} = 100 - (\text{Q1} + \text{Q2} + \text{Q3})$$

$$\text{Q1} = \text{Hardware Acceptance Rate}$$

$$(\text{Rejected Pieces} / \text{Pieces Received}) \times 100$$

$$\text{Q2} = \text{Corrective Action Requests (CARs)}$$

$$(\text{\# of CARs Issued} \times 2 \text{ pts})$$

$$\text{Q3} = \text{CAR Responsiveness}$$

$$(\text{\# of Late CAR Responses} \times 5 \text{ pts})$$

Delivery Rating = (Pieces On-Time / Pieces Received) X 100, where On-Time Pieces are up to 4 days late.

Any Supplier who has an Overall Supplier Rating < 85 for two consecutive quarters on their Supplier Scorecard shall be required to develop a corrective action / improvement plan to address performance issues and could have a quality audit scheduled if the performance is tied to quality problems. See Table 1 for the rating scale.

Supplier performance will be communicated to select critical suppliers via a Supplier Scorecard.

Table 1
Overall Supplier Rating (OSR)

Category	Supplier Rating
Excellent	98 - 100 %
Acceptable	92 - 98%
Marginal	85 - 92%
Unacceptable	< 85%