

Table of Contents

1.0	PURPOSE AND SCOPE	2
2.0	LIST OF RESPONSIBILITIES	2
3.0	KEY DEFINITIONS	2
4.0	PROCEDURE.....	3
4.1	ENERGETIQ PART SPECIFICATION	3
4.2	SUPPLIER INSPECTION PLAN.....	4
4.3	PART AND INSTRUMENT TRACEABILITY	4
4.4	EQUIPMENT CO-RELATIONSHIP.....	5
4.5	AUDIT QMS & PROCESS CAPABILITY.....	5
4.6	CHANGE MANAGEMENT AND NOTIFICATION	5
4.7	COPY EXACT.....	5
4.8	INCIDENT MANAGEMENT.....	6
4.9	PROBLEM SOLVING METHODOLOGY.....	6
5.0	INSPECTION REPORT AND DATA COLLECTION.....	7
5.1	FIRST ARTICLE INSPECTION (FAI) & AQL INSPECTION LOG.....	7
6.0	AQL SAMPLING PLAN.....	7
7.0	GENERAL REGULATORY REQUIREMENTS AND DECLARATION	8
8.0	KEY REGULATION COMPLIANCE	9
8.1	EU ROHS.....	9
8.2	EU REACH.....	9
8.3	US CONFLICT MINERALS.....	10
8.4	CHINA ROHS.....	10
8.5	MATERIAL DECLARATIONS & SUPPLIER CERTIFICATION.....	10

1.0 Purpose and Scope

In order to exceed the expectations and ensure the satisfaction of its customers, Energetiq Technology Inc. (Energetiq) is committed to striving towards a level of quality that results in zero defects. In support of this effort, Energetiq must be able to rely upon the quality and reliability of performance of products and services it receives from its Suppliers. Therefore, this Policy details the minimum quality systems requirements to be met by Suppliers.

Supplier warrants/guarantees and represents to Energetiq that all products shall be:

- In strict compliance with the specifications, samples, drawings or other descriptions or requirements relating to the products.
- Free from any defect in manufacturing, workmanship, and raw materials.
- Fit for the particular purpose for which they are purchased. Products that are reasonably determined to fail to conform to the warranties set forth herein above or in a purchase policy are referred to as "Defective Products ". Supplier must be able to prove that the products comply with the aforementioned requirements.

The purpose of this document is to outline the guidelines for the supplier to deliver a zero-defect quality product to Energetiq. To achieve the above-mentioned goal, Energetiq and the vendor will partner and embrace a continuous improvement approach.

Implementation of this procedure at the supplier and monitoring by Energetiq will help both companies in understanding the process capability, correlating inspection results and allow for traceability of the inspected parts when applicable. Energetiq's goal is to gain a confidence in our supply chain that allows for a dock to stock program at Energetiq.

2.0 List of Responsibilities

- Supplier must assign Quality Manager or designee to Energetiq account.
- Energetiq Quality Engineer or designee will work with the supplier contact on defining the requirements.

3.0 Key Definitions

- **AQL Sampling:** The Acceptable Quality Limit (AQL) is the worst tolerable process *average (mean)* in percentage or ratio that is still considered acceptable; that is, it is at an acceptable quality level.
- **FAIR (First Article Inspection (FAI) Report):** A First Article Inspection Report (FAIR) is a formal method of providing a measurement report for a given manufacturing process. The method consists of measuring the properties and geometry of an initial sample item against given specifications.
- **NCMR (Non-Conforming Material Report):** When a part does not meet specifications it is identified as discrepant, and a Non-Conforming Material Report is created.
- **SCAR (Supplier Corrective Action Report):** Supplier Corrective Action Request process is extension of a company's CAPA compliance process to its suppliers. Supplier Corrective actions are implemented in response to customer complaints, unacceptable levels of product non-conformance, issues identified during an internal audit, or adverse or unstable trends in product and process monitoring such as would be identified by statistical process control (SPC). Reference: Energetiq 8D Corrective Action Report. (F-QUA-00001)
- **Process Capability:** A process is a unique combination of tools, materials, methods, and people engaged in producing a measurable output; for example a manufacturing line for machine parts. All processes have inherent statistical variability which can be evaluated by statistical methods.
- **Critical Dimensions:** Dimension that are critical to form, fit and function of the product. Critical dimensions can be identified by the rules outlined in section 4.0 below.

4.0 Procedure

4.1 Energetiq Part Specification

4.1.1 Attribute and variable specification requirements.

- 4.1.1.1 Energetiq purchase orders (when applicable) are accompanied by an Energetiq approved part specification. The specification will consist of critical and non-critical dimensions required to fulfill the purchase order. Sections 4.1.1.2 through 4.1.1.4 outline how to determine if a dimension should be treated as critical or non-critical for different dimension types (mechanical, optical, and electrical). If the Supplier is unsure how to classify a specific dimension the Supplier should contact Energetiq or treat the dimension as critical.
- 4.1.1.2 Mechanical specifications, usually in the form of a mechanical drawings contain dimensions that control the size, shape, finish, material, and physical features of a part. All mechanical dimensions are to be considered critical if they are or contain any of the following:
- The dimension is not governed by the drawing tolerance block
 - Specific +/- range
 - Geometric tolerance
 - Minimum or maximum designation
 - Limit tolerance
 - Tolerance shown to the fourth decimal place in inches (X.XXXX)
 - Note or unique callout
 - Thread classification
 - Specific surface finish callout
 - Sheet notes including finish and material
 - Dimensions in the body of a drawing that have dimensions with an oval symbol around them are to be considered “critical” dimensions and must be inspected 100%
 - Critical Dimension data is required to be provided with the parts and sent to SupplierData@energetiq.com and will include the Part Number, Revision, N: Date of Manufacturer, Internal Lot/Batch/work Order, SN (if applicable) and the dimensions verified referencing a feature # that can be tied to the drawing to ensure traceability.
- 4.1.1.3 All optical specifications (including material, optical and coating specifications, focal lengths, and clear aperture surface/material imperfections) are to be considered critical unless otherwise stated. Mechanical dimensions of optical components should be classified as critical or non-critical dimensions by following the precedence outlined in section 4.1.1.2.
- 4.1.1.4 All electrical specifications are to be considered critical unless otherwise stated. Please contact Energetiq for any required clarification. Mechanical dimensions of electrical components should be classified as critical or non-critical dimensions by following the rules outlined in section 4.1.1.2.
- 4.1.1.5 Energetiq may provide a list of parts that are highly critical to Energetiq product functionality. These critical parts may be accompanied by specific inspection and attribute requirements that would supersede all rules listed above.
- 4.1.1.6 Catalogue parts that are highly critical to Energetiq product functionality may be accompanied by specific inspection and attribute requirements that would

supersede all rules listed above. Energetiq Supplier Engineer shall work with the supplier on case by case basis.

4.2 Supplier Inspection Plan

4.2.1 Supplier Inspection Requirements and Inspection Report

- 4.2.1.1 Supplier will provide at least one part FAIR consisting of all critical and non-critical dimensions of the part for first batch of the parts delivered to Energetiq if and when requested.
- 4.2.1.2 The first article and FAIR are required to be identified by placing a label that consists of the Batch number, PO number and 1st Article Identifier (FAI number). This above-mentioned information is required to be in the report in order for Energetiq to match the first article inspection part.
- 4.2.1.3 First piece inspection is required to be performed for every batch coming out of machine or off a production assembly line. It shall be defined in the supplier process control plan (PCP). The inspection data is to be recorded by supplier and available upon Energetiq request. Commercial off the shelf (COTS) items may or may not be subject to this requirement and will be determined by the purchase order.
- 4.2.1.4 Unless otherwise requested or specified on a purchase order, the Supplier will provide AQL 1.0 C=0 level final inspection result for each batch of parts delivery for all critical specification. For critical parts, AQL will be defined in the PCP. See section 6 AQL sampling plan.
- 4.2.1.5 Each AQL selected inspection part is required to be identified by Batch number, PO number and AQL part serial number (AQL Sample number). This information is required to be recorded on the report and match the inspected part serial number information label on each part bag.
- 4.2.1.6 Energetiq expects an AQL1.0 C=0 inspection plan. If batch is inspected per AQL 1.0 C=0 and found to have a non-conformance(s) and does not meet Energetiq required specification than the supplier is required to inspect all parts 100% and record such activities and may be audited by Energetiq.
- 4.2.1.7 Supplier is expected to send inspection reports (FAI, and/or first piece inspection, and/or test report and/or certificate of compliance) with every batch delivered to Energetiq. (The data from these inspections must be sent to SupplierData@energetiq.com, QA@Energetiq.com and Purchasing@energetiq.com.) This expectation will be documented in the purchase order or agreement between Energetiq and supplier.

4.3 Part and Instrument Traceability

- 4.3.1 Supplier is required to maintain their measurement equipment calibration and traceable to NIST standard. Energetiq may request calibration certificate to verify the equipment calibration state.
- 4.3.2 Supplier is responsible and liable for the clear traceability (serial number, and/or batch/lot, and/or date code) and proper tracking of the product/part during all phases of production and delivery (including to and from sub-contractors & other external processes) when applicable, or when requested by the purchase order.

- 4.3.3 Supplier shall be able to provide traceability information to Energetiq, based upon their traceability reference number, upon request, at any time for applicable parts.

4.4 Equipment Co-relationship

- 4.4.1 Energetiq may time to time do a Gauge R & R and measurement instrument result correlation to verify the accuracy of the setup at vendor and Energetiq.

4.5 Audit QMS & Process Capability

- 4.5.1 Energetiq may request to perform process capability study by vendor or ask for samples inspection results for Energetiq to perform process capability on selected parts.
- 4.5.2 Supplier shall make an effort to verify and improve product and process quality through regularly scheduled internal system, process and product audits. Additionally, Supplier shall pursue continued quality improvements in an effort to achieve zero defects through the tracking and evaluation of internal process indicators (e.g., downtime, scrap, rework, etc.). Supplier shall employ suitable procedures (e.g., statistical process control or manual control chart methods, etc.) across the entire production period in order to prove the process capability for any and all function-relevant characteristics.
- 4.5.3 Supplier shall use some systematic approach and tools to achieve continuous improvement. e.g., SPC, Six Sigma, Process capability, Lean Manufacturing etc. Keeping in mind the caveat of copy exact requirements as described in 4.7 of this document.
- 4.5.4 Energetiq reserves the right to perform audits (alone, or together with Energetiq's customer(s)) on the QM system, processes, and products, if, in its sole discretion, it deems it necessary. If possible, Energetiq shall give sufficient notice before conducting such an audit. Supplier shall grant Energetiq (and its customer(s), as applicable) all requested access to its premises and documents for purpose of such audit. Further, Supplier understands Energetiq (and its customer(s)) may visit Supplier's facility due to unexpected issues and reserves the right to do so with little notice to the Supplier.

4.6 Change Management and Notification

- 4.6.1 Supplier agrees that all of the following scenarios shall require a (new) initial sample submission for applicable parts.
- 4.6.2 Supplier agrees to provide advanced written notification of such changes to the responsible Purchasing Agent and Quality Director and receive back written concurrence from Energetiq prior to any such changes being initiated.
- If a product is being produced for the first time.
 - A change in (geographic) location of supply.
 - A change in Supplier's sub-contractor / sub-supplier.
 - A product design modification or material change.
 - A production process modification.
 - Implementation of additional or replacement tools / cavities / molds / forming devices.
 - Utilization of alternative capital equipment.
 - A planned change in material specifications.
 - After a supply or production interruption of more than one year.

4.7 Copy Exact

4.7.1 *Follow the Energetiq Copy exact guideline STD-FP-00002.*

4.8 Incident Management

- 4.8.1** An **incident** will occur when non-conforming material is detected at Energetiq or at a customer location. The supplier must respond to prevent further material from shipping and correct the nonconformance.
- 4.8.2** Supplier shall continue a 100% inspection for the non-conformity in their facility until such time that Supplier can prove (with data) that the corrective actions implemented have effectively resolved the issue(s) causing Energetiq concern.
- 4.8.3** Supplier will ensure expedited delivery of replacement stock (certified and tagged appropriately), if requested by Energetiq, to ensure uninterrupted supply to Energetiqs customer.
- 4.8.4** A thorough, team-driven root cause analysis and detailed Supplier Corrective Action plan must be sent back to the Energetiq quality contact within ten (10) working days of the initial notification.
- 4.8.5** Complete implementation and standardization of all identified Supplier Corrective Actions Report (SCAR) for sustainable defect prevention and a finalized 8D or Energetiq equivalent sent to Energetiq Quality Engineer within 30 working days of the initial notification. (Reference Energetiq 8D SCAR form F-QUA-0001)
- 4.8.6** *If requested by Energetiq, Supplier will support Energetiq (or Energetiqs Customer's) visit to the supplier facility in less than 24 hours.*

4.9 Problem Solving Methodology

- 4.9.1** Supplier agrees to adopt Energetiqs problem solving philosophy which places emphasis on the following:
- Immediate and complete containment of the issue with a data - proven inspection method.
 - Data-driven analysis in every step of the problem-solving activity. Team approach to the problem-solving activity should consider:
 - Development of possible root causes through the use of the Fishbone / Ishikawa Diagram.
 - Root cause analysis through the use of the 5 Why Methodology.
 - Implementation of corrective actions which address prevention, detection, and quality system improvement.
 - Verification, through data analysis, that quality issues have been effectively addressed.
 - Implementation of corrective actions into standard documents (e.g., FMEA, control plan, work instructions, etc.) and like products and processes as a preventative measure and continuous improvement activity.

5.0 Inspection Report and Data Collection

5.1 First Article Inspection (FAI) & AQL Inspection Log.

- 5.1.1** The First Article Inspection (FAI) & AQL Inspection Log (STD-FR-00001) is designed in Excel for ease of use and ability to modify. When applicable the supplier will modify template to place all critical and non-critical specifications and their tolerances. Once the specification and tolerances are recorded in this form and the Energetiq Quality Engineer approves this form. It shall be made available to supplier's inspector to record the results. When applicable the FAIR will be generated for each batch of parts manufactured by supplier.
- 5.1.2** The FAI template & Inspection Log contains header information that is useful for understanding the reason for an inspection. These headers must be filled out. Also, first row labelled "FAI" indicates that the First article inspection results will be recorded on that row. The FAI row consists of all critical and non-critical dimension inspection results. This provides a reference against which additional results may be compared.
- 5.1.3** All other samples, (Seq. # 1 to as many required per AQL sample plan) are to have the critical dimension results recorded in the table.
- 5.1.4** This template will be separate for each part, and it may be used for multiple batches. Each new batch shall have a new Row of FAI and AQL inspection sequence data.
- 5.1.5** The soft copy of excel files (FAIR and Inspection Log) will be send to Energetiq email SupplierData@energetiq.com, QA@Energetiq.com & Purchasing@Energetiq.com for every applicable batch/lot delivery.

6.0 AQL Sampling Plan

LOT SIZE	ETI Plan					Standard if Not specified		
	AQL	.65	1.0	1.5	2.5	4.0	6.5	10.0
2 - 8		ALL	ALL	ALL	5	3	2	2
9 - 15		ALL	13	8	5	3	2	2
16 - 25		20	13	8	5	3	3	2
26 - 50		20	13	8	5	5	5	3
51 - 90		20	13	8	7	6	5	4
91 - 150		20	13	12	11	7	6	5
151 - 280		20	20	19	13	10	7	6
281 - 500		47	29	21	16	11	9	7
501 - 1200		47	34	27	19	15	11	8
1201 - 3200		53	42	35	23	18	13	9
3201 - 10000		68	50	38	29	22	15	9
10001 - 35000		77	60	46	35	29	15	9
35001 - 150000		96	74	56	40	29	15	9
150001 - 500000		119	90	64	40	29	15	9
500001 - & OVER		143	102	64	40	29	15	9

7.0 General Regulatory Requirements and Declaration

- 7.1** As part of Energetiq supplier qualification process, suppliers of custom and other applicable parts are required to provide a supplier Certificate of Compliance (CoC) or provide a way to acquire a CoC. I.e., CoC available on Website, CoC with parts.
- 7.2** Suppliers signing the CoC letter must agree to the following:
- 7.2.1** Where parts, materials and finishes are specified by Energetiq, the supplier shall manufacture the parts in strict adherence to these specifications. The supplier shall not make any additions or substitutions without prior written approval by Energetiq.
 - 7.2.2** For all Energetiq specifications or drawings, which explicitly specify material and compliance in a note section of the document, the supplier agrees not to substitute materials and not to include any materials other than those specified.
 - 7.2.3** The supplier shall maintain an adequate working knowledge of the EU RoHS Directive and the substance requirements for Articles as specified in the EU REACH Regulation.
 - 7.2.4** The supplier shall employ inventory control measures that ensure configuration and compliance status of all parts and materials supplied to Energetiq.
 - 7.2.5** The supplier shall ensure that any subcontractor engaged in the manufacture of parts or materials for Energetiq products shall abide by these same requirements.
 - 7.2.6** Unless otherwise specified, the supplier shall obtain and retain, for a minimum of 10 years from the date of shipment to Energetiq, all records necessary to demonstrate the compliance of all parts and materials delivered to Energetiq. The supplier shall review the quality and reliability of these records to ensure that claims of compliance are valid. The supplier is encouraged to incorporate the methods of standard EN 50581:2012 for this purpose.
 - 7.2.7** The supplier agrees to Energetiq's audit of the supplier's compliance assurance measures and records upon request, or as a part of a regular supplier audit.
 - 7.2.8** The supplier agrees to provide, upon request by Energetiq or a partner company operating on behalf of Energetiq, declarations of compliance for parts and materials provided to Energetiq, and covering the applicable requirements specified in this document.
 - 7.2.9** If Energetiq has reason to question the reliability of a declaration, the supplier shall make available to Energetiq any test reports, supplier declarations, and other evidence of compliance, available to the supplier, that help establish the validity of the declaration.
 - 7.2.10** If Energetiq determines that material provided and declared as compliant by a supplier is not compliant, the supplier shall agree to exercise all commercially reasonable efforts to help Energetiq establish the root cause of the non-compliance, to remedy that root cause, and to replace any non-compliant material at no charge to Energetiq.

- 7.2.11** If specified on a Energetiq Drawing or Purchase Order, the supplier shall evaluate his product for conformity with the requirements of China RoHS and label the product in accordance with those requirements
- 7.2.12** Upon request by Energetiq, a supplier shall provide, in timely fashion, a Conflict Minerals declaration for all parts and materials provided to Energetiq, using the EICC declaration format. Energetiq, or a partner company operating on behalf of Energetiq, will provide guidance and a blank EICC declaration template at the time of request.

8.0 Key Regulation Compliance

As a supplier to Energetiq, you are required to ensure that certain regulated or hazardous substances are not present in parts and materials you supply to us or, for certain other substances, to notify Energetiq if they are present. Because the substance regulations are subject to frequent change, Energetiq has chosen not to publish an extensive list of restricted substances and exemptions. Rather, Energetiq has listed some of the key substance laws that apply. Energetiq expects suppliers to familiarize themselves with these laws and to ensure that parts and materials provided comply with these laws. Upon request by Energetiq, or a partner company operating on behalf of Energetiq, the supplier shall declare, in timely fashion, the compliance of parts and materials supplied to Energetiq.

8.1 EU RoHS

The European RoHS 2 Directive ((EU) 2015/863 amend Annex II to EU RoHS2 (directive 2011/65/EU commonly referred to as RoHS 3)) restricts the use of 10 hazardous substances in equipment sold in the EU. RoHS restricts following material to no more than 0.1% by weight in any "homogeneous material" in any part, and it restricts Cadmium to 0.01%.

- **Cadmium (Cd):** < 100 ppm
- **Lead (Pb):** < 1000 ppm
- **Mercury (Hg):** < 1000 ppm
- **Hexavalent Chromium: (Cr VI)** < 1000 ppm
- **Polybrominated Biphenyls (PBB):** < 1000 ppm
- **Polybrominated Diphenyl Ethers (PBDE):** < 1000 ppm
- **Bis(2-Ethylhexyl) phthalate (DEHP):** < 1000 ppm
- **Benzyl butyl phthalate (BBP):** < 1000 ppm
- **Dibutyl phthalate (DBP):** < 1000 ppm
- **Diisobutyl phthalate (DIBP):** < 1000 ppm

Some classes of equipment are excluded from the scope of RoHS, and RoHS also allows exemptions for some very specific materials. Energetiq normally requires that all parts and materials supplied shall comply with the substance restrictions of the RoHS Directive, and that the supplier identify any exemptions that apply to those parts or materials.

8.2 EU REACH

The European REACH Regulation ((EC) No 1907/2006) regulates a large number of substances, better known as SVHC's or "Substances of Very High Concern". Note that more substances are added to the Candidate List approximately every 6 months. In addition, certain SVHC's are now subject to "Authorization", meaning that only certain narrowly defined uses are authorized, or they are subject "Restriction", meaning that they are essentially banned from use. In order to meet

requirements, Energetiq must know whether any SVHC constitutes greater than 0.1% of the weight of any part or product supplied. Energetiq also requires that parts and materials supplied shall not contain SVHC's that are subject to authorization or restriction.

8.3 US Conflict Minerals

In 2012, the U.S. Securities and Exchange Commission ("SEC") published regulations implementing the Dodd-Frank Wall Street Reform Act. In order to meet the requirements of Section 1502 of that act, Energetiq must determine the country of origin for all Gold, Tin, Tungsten, and Tantalum used in our products. If any of these materials is sourced from a conflicted region, Energetiq must report this to the SEC. If you are a supplier of any of these materials, or parts containing any of these materials, Energetiq will contact you to obtain a Declaration for Conflict Minerals.

8.4 China RoHS

Chinese law ("Administrative Measures for Controlling Pollution Caused by Electronic and Electrical Products", MII Order No. 39) requires Energetiq's products sold in mainland China to be labeled, showing whether certain hazardous substances are present, and providing information for handling end-of-life of those products. The substances involved are the same as EU RoHS, so Energetiq must know about the presence of these substances in any parts supplied to us. In addition, we may require you to apply the proper China labeling if you supply us a product that is in scope for China RoHS

8.5 Material Declarations & Supplier Certification

Material declarations and supplier certifications are foundational elements necessary to ensure the compliance of Energetiq's products. For this purpose, parts/assemblies are classified as either custom or off the shelf. Custom parts are designed by Energetiq and comprise materials entirely specified by Energetiq and some cases hybrid's part that may comprise both supplier and Energetiq specified materials. Off the shelf parts are manufactured using materials entirely specified by the manufacturer. In general, Energetiq will assume the responsibility for RoHS compliance of the materials and finishes it specifies and expects our suppliers to do likewise. Parts that are compliant through the use of materials that are EU RoHS-exempt must be identified, together with the specific material exemption from the RoHS regulation and the offending substance (e.g. EU RoHS exemption # 6(c): lead (Pb) in copper alloys, which covers certain compliant brass materials).

REVISION HISTORY

Rev.	Effective Date	Document Owner	Change/ECO	Description of Changes
01	04/29/2019	Anil Patel	1325	Initial Release
02	8/30/2022	Dan Avallone	1929	Added bullet in section 4.1.1.2, added verbiage to 4.2.1.4, Format Changes, Document was STD-FP-00001