AUTHORIZATION

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1.0 Purpose

1.1 This manual is provided to ensure suppliers to Stratus Automation (hereafter called Stratus) understand the quality requirements and procedures in doing business transactions with Stratus.

2.0 Scope

2.1 This procedure covers suppliers supplying physical products to Stratus which involves fabrication, machining, value-add manufacturing services and assembly/sub-assembly. Off the shelf and catalog items are out of scope.

3.0 Definition

3.1 QMS: Quality Management System

3.2 PCN: Product/Process Change Notice

3.3 PPM: Parts per Million (defective rate)

3.4 RMA: Return Materials Authorization

4.0 Responsibilities

4.1 Purchasing Manager: Ensure existing supplier comply to the requirement of this quality manual and ensure new supplier is made aware of this manual and in compliance

4.2 Purchaser: Focal contact for supplier regarding communication and transaction called out by this manual

4.3 Supplier Quality Engineer: Responsible for all technical matters regarding supplier quality including but not limited to SCAR and PCN review and approval

4.4 Supplier: Understand the quality expectations stated by this manual and comply to the specifications

5.0 Procedure Details

5.1 Quality Management System Expectation

5.1.1 Stratus requires the supplier to maintain a certified QMS (ISO9001) or/an appropriately managed quality systems and processes that ensure the supplier product will meet specified requirements. Additional requirements may be communicated in the Purchase Order, or contract or both.

5.2 Contract/PO Review

5.2.1 All suppliers are expected to execute a robust contract review process of each Stratus's Purchase Order (PO) and any associated requirements. The ability to comply with these specific requirements must be determined. In particular, remarks on a PO are often used to communicate requirements to suppliers. These may include Quality requirements, Environmental requirements, unique Customer/Project requirements and other requirements.

5.3 Environment and Safety Compliance Requirement

5.3.1 Suppliers must provide compliance documentation at a level that meets the expectations of applicable material legislative requirements if required by Stratus.

5.3.2 The minimum requirement is to meet RoHS 3 (EU Directive 2015/863 directives).

5.3.3 For other parts, supplier shall ensure there is no residual of hazardous substances that originate from processing at supplier which is higher than the applicable permissible limit.

5.4 Supplier notifications and product/ process change notifications (PCN)

5.4.1 Stratus design and manufacture products which are sold into business markets which demand high quality, reliability and safety. It is therefore critical that Stratus are notified of any proposed product/process changes to items on our purchase order prior to the implementation of the proposed change.

5.4.2 Suppliers are required to have an internal process for qualification and communication of changes which promptly and accurately notifies Stratus of the change. Suppliers are responsible for managing changes made by sub-tier manufacturers within their supply chain to ensure the same quality output expected by Stratus.

5.4.3 Suppliers are required to submit a PCN for any proposed changes to the following:

- Change of material or material manufacturer
- Change in the manufacturing/fabrication process
- Change in manufacturing name, address, facility and site
- Change to major tool design, process specification and control
- Change to testing or inspection and its criteria
- Change in packaging, labeling, and storage
- Any change that may impact form, fit and function of the parts supplied.

5.4.4 The PCN shall be communicated in a standard PCN template acceptable to the industry or any supplier internal template that is acceptable by Stratus. Minimally, the PCN shall contain information below:

- Title of change
- Scope of change
- Details of the change and why
- Assessment done by Supplier to validate the change
- Change timing

5.4.5 Suppliers must give Stratus a 90-day notice before any PCN goes into effect. All PCNs must be forwarded to Stratus' purchasing team. In lieu of the 90-day-advanced notification, the supplier shall have written approval from Stratus purchasing manager giving explicit waiver.

5.5 Packaging guidelines

5.5.1 Unless otherwise specified or agreed upon, the following guidelines are to be followed.

- Boxes weighing greater than 50kg must be shipped on a pallet.
- Standard pallets of size 40"x48" or less should be used when a pallet is necessary. If an oversized pallet is necessary, it must be forklift accessible on all sides.
- If a wooden pallet is used and shipment involves an international route, the pallet needs to be fumigated.
- Loaded pallet height should not exceed 150cm from ground level.
- It is recommended that suppliers seek out pre-approval from Stratus Buyer if in doubt
- Packaging should comply with ASTM D4169 (Standard Practice for Performance Testing of Shipping Containers and Systems) or equivalent to ensure Stratus receives the parts in good condition.
- Suppliers shall design packing solutions that is eco-friendly with Life Cycle Perspective considered while serving the function of safeguarding the shipped parts so that the parts are adequately protected and meeting all the procurement specifications. Parts with non-cosmetic surfaces should be packaged in a way to decrease the amount of time and waste associated with the unpacking process.

5.6 **Record retention requirement**

5.6.1 Suppliers shall retain all quality and product related records that support the manufacturing process (records are defined as per ANSI/ISO/ASQ Q9000-2005 as "Document stating results achieved or providing evidence of activities performed") for a minimum period of 2 years. Extended record retention periods may be communicated Purchase Order documentation or any other communication channels.

5.6.2 Records shall be made available to Stratus or its customers and/or regulatory agencies upon request.

5.7 **Inspection acceptance**

5.7.1 All products shall be subject to inspection and test at all reasonable times and places by Stratus before, during and after delivery. Any product furnished by the supplier to Stratus that does not conform to any agreement or the Purchase Order, or it's intended use due to the supplier's manufacturing issue will be subject to Stratus' rejection and return to the supplier, at the supplier's risk and expense. The title to any product rejected by Stratus will revert to the supplier upon shipment out.

5.8 **Request for audit**

5.8.1 Stratus may request access to the supplier's facilities and documentation to validate compliance with the quality requirements of this document, or an applicable recognized international quality management system or a process audit or a combination of all the above.

5.8.2 This right of access includes Stratus and Stratus customers, and regulatory authorities. The supplier will provide reasonable assistance during any such audits.

5.9 **Non-conforming materials**

5.9.1 The supplier is expected to have internal processes to prevent the production of material that is defective or nonconforming. Nonconforming products should be identified, segregated and dispositioned in a manner that prevents the unintended use or delivery to Stratus. Additionally, Stratus purchasers shall be notified with a signed documentation acceptable to Stratus immediately of any suspect or defective product that may have escaped the supplier's facility prior to being detected.

5.9.2 If needed, the supplier can submit a request to Stratus for ship authorization. The material shall not be shipped until authorization is provided by a representative by Stratus buyer after due process by Stratus procurement/engineering/QA joint assessment.

5.10 **Return material authorizations**

5.10.1 When material is found to be defective, the supplier will be notified via a rejection case, and a Return Material Authorization (RMA) number will be requested. The supplier is expected to respond with an RMA number within 24 hours of the request.

5.11 **Supplier corrective action**

5.11.1 Depending on the type, extent and severity of a defect, Stratus may request that the supplier formally document the actions taken to correct the issue. This will be handled via a Supplier Corrective Action Request (SCAR).

5.11.2 The supplier is expected to have a process to track and respond to the SCAR in an appropriate timeframe. Suppliers are encouraged to actively communicate progress updates while the SCAR is open. The supplier is expected to respond with their completed Corrective Action within 8 working days of the request unless an extension has been granted by a representative of Stratus Supplier Quality or Purchasing.

5.11.3 When a supplier has identified or been notified of a rejection without a formal SCAR request, the supplier should still take immediate action to contain and prevent additional defects from being produced or reaching the Stratus site.

5.12 **Failure analysis**

5.12.1 Suppliers may be requested to perform Failure Analysis (FA) when the nature of the defect is unknown and requires further investigation at supplier's facility.

5.12.2 The supplier is expected to have a process to track and respond to all FA requests in an appropriate timeframe of 8 working days. If the specific report cannot be completed within 8 business days of the request or the request due date, the supplier shall submit a request with the justification for an extension. The extension will be reviewed and approved by a representative of Stratus Supplier Quality via purchaser.

5.13 **Capability study**

5.13.1 When required, Stratus will ask for a process capability demonstration from Supplier for designated CTQ (critical to quality) on selected parts arises from specific quality issues or product requirements.

5.13.2 The supplier will sample representative units from the population and perform measurements according to the agreed metrology. All associated data will be submitted to Stratus. The supplier will calculate X-bar, Sigma, test normality and Capability indices. Sample size and minimum Capability indices will be agreed upon between Stratus and the supplier prior to submission. Suppliers shall prepare a process capability improvement plan to Stratus should the agreed upon criteria cannot be met by supplier.

5.13.3 The Capability Study will be completed on all designated CTQ dimensions, which results in a report that contains the following information:

- Histogram
- X-bar
- Sigma
- Normality test
- Process capability values (Cp, Cpk, Pp, Ppk, etc.)
- All individual data

5.13.4 Other information preferably included with the Capability Study report:

- X-bar–R chart
- PPM equivalents

5.14 **Certificate of Compliance (CofC)**

5.14.1 A Certificate of Compliance is required to accompany every shipment to Stratus unless waived by Stratus.

5.14.2 A Certificate of Compliance certifies that the product being delivered conforms to the following:

- The drawings and specifications
- The requirements of the specific PO
- If electrical testing is part of the requirement, the certificate shall include a statement specifying the product being delivered conforms to the electrical properties designated on drawing and specifications. It should be supported with the test/yield data or other supporting documentation.

5.14.3 The Certificate of Compliance must include the following:

- Name of Supplier or distributor
- Stratus part number
- Revision level (If applicable)

- Quantity shipped
- PO number
- Inspection report certifying all the specified dimensions (for mechanical parts) are met and with zero visual mechanical defects.
- Subcontractor's or outsourced provider's own certificate of compliance if applicable

5.14.4 Other information preferably included in a Certificate of Compliance:

- Supplier letterhead and/or logo present
- Signature of supplier representative certifying the product
- Name and title of supplier representative certifying the product
- A title at the top of the document indicating Certificate of Compliance
- Drawing # and revision, when applicable
- Lot code and date code
- Ship date

5.15 **First article inspection report (FAI)**

5.15.1 A first article inspection will be summarized in a report format, which shows evidence that the supplier produced a part that is in compliance with the specifications.

5.15.2 A first article inspection must be included on a part from each unique tool or process (for example a multi-cavity tool would need to have a first article inspection completed on a part from each cavity) or a design. Generally, a new drawing release from Stratus will require FAI from supplier.

5.15.3 The report must include compliance to ALL part specifications, including dimensions, characteristics, notes, materials, key process control parameters, subcomponents, etc. for the component and/or assembly being procured. The supplier must coordinate FAI compliance (including measurements) for all custom sub-components of an assembly unless the parts are consigned to supplier by Stratus. The supplier will document the verification of the sub-component on the assembly FAI.

5.15.4 The FAI must include the following information:

- Title referring to a First Article inspection
- Ballooned drawing
- Individual Characteristic
- Individual Tolerance or accept/reject criteria
- Individual Inspection/Verification result
- Individual Pass/Fail result
- Verification of all sub- components (Off -the-shelf and custom)
- Verification of materials used
- Report date
- Outgoing inspection/test report from subcontractor or outsourced service provider.
- Copy of Mill cert if the parts supplied is metal part
- Other information preferably included in a FAI:
    - 5.15.4..1 Tool used
    - 5.15.4..2 Drawing location
    - 5.15.4..3 Inspector

5.15.5 Stratus may specify additional FAI requirements as deemed necessary and will be remarked in PO or communicated to Supplier through buyer.

5.15.6 All part specifications on the FAI must be within tolerance. Any specification which is not within tolerance cannot be shipped to Stratus without prior approval.

5.16 **Quality control plan**

5.16.1 Though not mandatory, Stratus reserved the right to request suppliers to establish a Quality Control Plan which defines the processes and controls used to produce Stratus's parts.

5.16.2 The Quality Control Plan must include the following components of the process:

- Each process step
- Jigs/tools used and asset number
- Equipment used and asset number
- Inspection Criteria for each customer designated CTQ/Critical characteristic
- Accept/reject criteria
- Each process inspection
- Gauging type and asset number
- Inspector/s authorized to complete the inspection
- Frequency
- Sample size
- Actions

5.16.3 The Quality Control Plan should also include the following components of the process:

- Gage R and R results
- Process capability values

6.0 Reference Documents

6.1 SA-SOP-011 Vendor Selection and Monitoring

6.2 SA-SOP-012 Purchasing Process

6.3 SA-SOP-018 Nonconformity, corrective action and continue improvement.

7.0 Reference Records

7.1 NA

REVISION CHANGE HISTORY

REV NO.	DCN NO.	DESCRIPTION OF CHANGE	AUTHOR	EFFECTIVE DATE
00	DCN-2024-196	Initial Release	Lau Siew Fui	10/12/2024

DISTRIBUTION RECORDS

Department
Sales & Project Management
Human Resources
Finance
QA
Purchasing
Store_Warehouse
Production
Process Engineering
Equipment & Machining
Planning
Installation & Services (In&S)
RnD
Application (Mechanical)
Application Control (EE)

Approvals
Report • Printed on December 16, 2024

Approved

Please approve: SA-SOP-032 Supplier Quality Manual_00

The item 'SA-SOP-032 Supplier Quality Manual_00' is submitted for approval by .

The message with the request:
Please help to approve.
Reminder set to 1 day

Please review, and then approve or reject the request.

Attachments

SA-SOP-032 Supplier Quality M
https://stratusautomation.sharepoint

Final status: Approved

A	Approved by Azahar Bin Mat Elias	11-Dec-24 9:49:15 AM
LF	Approved by Lau Siew Fui	11-Dec-24 9:03:45 AM
MT	Approved by Mar Kheng Tat Approve	10-Dec-24 1:53:04 PM
A	Requested by Anis Khairunnisa Binti Hasan	10-Dec-24 11:21:22 AM