



1. PURPOSE

- 1.1. The purpose of this procedure is to provide criteria requirements for all of Virtium's "Critical" suppliers to adhere to in order to produce superior quality and reliable products.

2. SCOPE

- 2.1. This procedure applies to all Virtium "Critical Suppliers" supplying product to Virtium.
- 2.2. Non-Critical suppliers may be held accountable to the requirements outlined in this procedure if the management team sees the need for tighter controls for that supplier.
- 2.3. When specified on a Virtium Purchase Order, the requirements, as stated herein, become a part of the purchase order issued by Virtium Technology, Inc.
- 2.4. Failure to comply with these SQR'S could result in the rejection of and/or delay in payment for material supplied under the purchase order issued

3. REFERENCED DOCUMENTS

- 3.1. The following forms and procedures apply, in whole and/or in part, to this procedure.
 - 3.1.1. SP-500 Quality System Manual
 - 3.1.2. FR-400 Approved Critical Supplier List
 - 3.1.3. FR-407 Approved Supplier List

4. EQUIPMENT AND MATERIALS

- 4.1. Equipment
 - 4.1.1. N/A
- 4.2. Materials
 - 4.2.1. N/A

5. SAFETY

- 5.1. N/A

6. SET-UP

- 6.1. N/A

7. OPERATING PROCEDURES

7.1. SQR-1 Supplier Quality System Requirements:

- 7.1.1. The supplier's quality system, as a minimum, should comply with the requirements as stated in the latest version of ISO-9001.
 - 7.1.1.1. If a Supplier is not ISO certified, the Quality Manager may review the suppliers quality using information provided through audits and surveys and make the decision to qualify them accordingly.

7.2. SQR-2 Right-Of-Entry Requirements:

- 7.2.1. By acceptance of this purchase order, the subcontractor grants to Virtium, its customer, their customer and/or applicable regulatory agency, the right-of-entry for the purpose of examining work, materials, and records to insure conformance to contractual requirements.
- 7.2.2. The supplier shall flow down this requirement to their sub-tiers.

7.3. SQR-3 Process Approval Requirements:

- 7.3.1. The process specification(s) indicated on our purchase order requires prior approval of your facility by our customer.
- 7.3.2. Notify our Purchasing Department immediately if you are not an approved supplier or if there has been a change in your approval status.

7.4. SQR-4 Inspection Reporting Requirements:

- 7.4.1. The supplier shall furnish a copy of the completed final acceptance dimensional inspection report, along with actual measurement data and Quality Control acceptance stamps/buyoff evidence, for each shipment of each item listed on this purchase order.

7.5. SQR-5 Certificate of Conformance Requirements:

- 7.5.1. The supplier shall furnish a Certificate of Conformance (C of C) with each shipment of each item listed on the purchase order.
- 7.5.2. As a minimum, the CofC shall include the following information:
 - 7.5.2.1. The Virtium purchase order number.
 - 7.5.2.2. Virtium part number.
 - 7.5.2.3. A reference to all applicable specifications as listed on P.O. or drawings.
 - 7.5.2.4. Quantity of items shipped.
 - 7.5.2.5. Name and address of manufacturer/processor.
 - 7.5.2.6. Date of Certification.
 - 7.5.2.7. The statement: "WE HEREBY CERTIFY THAT ALL MATERIALS FURNISHED CONFORM TO ALL DRAWINGS, SPECIFICATIONS, PROCESSES, AND/OR OTHER REQUIREMENTS AS STATED ON THE ABOVE REFERENCED PURCHASE ORDER." (Reasonable variations of this statement are acceptable as long as the content concurs.)

7.6. **SQR-6** Chemical and Physical Test Report Requirements:

- 7.6.1. The supplier shall furnish a copy of a certified test report with each shipment for each item listed on this purchase order.
- 7.6.2. As a minimum, the test report shall include the following information:
 - 7.6.2.1. A certified copy of the actual producing company's test report, or
 - 7.6.2.2. A certified copy of an accredited laboratory's test report, or
 - 7.6.2.3. A certified copy of the distributor's test report. These test reports must contain the following:
 - 7.6.2.4. The name of the producing company.
 - 7.6.2.5. The material specification and revision level.
 - 7.6.2.6. The raw material heat/lot number.
 - 7.6.2.7. The actual quantitative results of all lot acceptance testing as required by the raw material specification (i.e. – chemical, physical, and metallurgical).
 - 7.6.2.8. The ORIGINAL signature of an authorized mill, laboratory, or distributor representative.

7.7. **SQR-7** Mandatory Virtium Approval of Supplier Changes Requirements:

- 7.7.1. When specified on individual Purchase Orders, Virtium requires the supplier to notify Virtium of any changes to supplier's product, processes or services.

7.8. **SQR-8** Supplier Flow-Down of Requirements to Sub-Tiers Requirements:

- 7.8.1. When specified on individual Purchase Orders, Virtium requires the supplier to flow down to sub-tier suppliers, the applicable requirements in the Purchase Order, including any key characteristics.

7.9. **SQR-9** Non-Conforming Documentation Requirements:

- 7.9.1. Any deviation to Virtium's requirements set forth in the Purchase Order shall be documented and submitted to Virtium for disposition prior to product shipment from the supplier's facility.

7.10. **SQR-10** Subcontracting Work Requirements:

- 7.10.1. The supplier is prohibited from subcontracting any portion of the work to be performed in the performance of this contract, without written Virtium buyer authorization.

7.11. **SQR-11** Records Requirements:

- 7.11.1. The supplier shall maintain records of manufacturing, inspection, testing and traceability used in the performance of this contract.
- 7.11.2. Records shall be maintained, in the appropriate medium, for a period not less than 7 years after the completion of this contract.

7.12. **SQR-12** Virtium Source Inspection Requirements:

- 7.12.1. Upon completion of the order and prior to shipment, notify Virtium's Purchasing Department so that arrangements can be made for a Quality Representative from Virtium to visit your facility and perform a source inspection.

7.13. **SQR-13** First Article Approval Requirements:

- 7.13.1. A written acceptance by Virtium Corporation of the first article produced or processed against this purchase order is required.
- 7.13.2. The supplier must furnish to Virtium a first article ITEM for approval, along with a completed first article inspection dimensional acceptance report and all necessary verifiable certifications and test reports required by this purchase order – prior to the commencement of any further production.

7.14. **SQR-14** Virtium Furnished Materials Requirements:

- 7.14.1. Items manufactured under this purchase order agreement shall be fabricated from Virtium furnished material intended for the completion of this order only.
- 7.14.2. The supplier shall not substitute, rework, or dispose of Virtium furnished material in any way, except as allowed for or instructed to do so in writing.
- 7.14.3. Unused material must remain properly identified and returned with the last shipment of fabricated parts, unless instructed otherwise.

7.15. **SQR-15** Special Process Approval Requirements:

- 7.15.1. Special process suppliers are responsible for compliance to the applicable specifications.

7.16. **SQR-16** Calibration Requirements:

- 7.16.1. The metrology subcontractor shall provide and maintain a calibration system that meets at least one of the following requirements, as currently amended, in the performance of this contract.
 - 7.16.1.1. MIL-STD-45662A “Calibration System Requirements”
 - 7.16.1.2. ISO 10012-1 “Quality Assurance Requirements for Measuring Equipment”
 - 7.16.1.3. ANSI/NCSL Z540-1 “American National standard for Calibration”



8. QUALITY REQUIREMENTS

- 8.1. Effectivity and Efficiency
 - 8.1.1. *Effectiveness* – Incoming product compliance and control
 - 8.1.2. *Efficiency*- Minimum number of Non-conformances detected at Incoming Quality Inspections.
- 8.2. Definitions
 - 8.2.1. *OTD*- On Time Delivery performance from Suppliers
 - 8.2.2. *NCMR*- Non-Conforming Material Report control.

9. PROCESS MATRIX SPECIFICATION

- 9.1. N/A

10. TABLES, FLOWCHARTS, DRAWINGS

- 10.1. N/A