

Supplier Manual

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TABLE OF CONTENTS

PREFACE.....	3
RIGHTHAND TECHNOLOGIES, INC. CORPORATE PHILOSOPHY.....	3
RIGHTHAND TECHNOLOGIES, INC. ETHICS	3
RIGHTHAND TECHNOLOGIES, INC. VISITOR POLICY	3
SUPPLIER RELATIONS.....	4
SUPPLIER RESPONSIBILITIES	4
PROCESSING ESD – SENSITIVE MATERIAL AND DEVICES.....	5
SUPPLIER RECORDS.....	5
SUPPLIER RATING.....	5-6
NON-CONFORMANCES	6-7
APPENDIX A - RIGHTHAND RIGHTHAND TECHNOLOGIES, INC.SUPPLIER \	
QUALITY CLAUSES.....	8-10
APPENDIX B - SAMPLE SUPPLIER SCORECARD.....	11

Preface

RightHand Technologies, Inc. has developed this manual to give guidance and direction to all our suppliers. This manual is utilized by RightHand Technologies, Inc. personnel to promote equality in the way we work with suppliers. We believe it is important that all suppliers to RightHand Technologies, Inc. are treated equitably and that each supplier understands what is expected of them prior to supplying / producing products or contracting work with RightHand Technologies, Inc.

RightHand Technologies, Inc. Corporate Philosophy

RightHand's team understands the importance of product quality and how project management techniques, change control and a robust test environment contribute to quality. Customer satisfaction is of paramount importance and RightHand prides themselves on keeping our commitments to the customer every time.

Blending past experiences, RightHand engineers have developed a philosophy that consists of a strong technological and quality foundation coupled with a product development focus that truly reflects customer requirements. To support this philosophy, RightHand has invested in an extensive development and test environment that includes a variety of servers, sophisticated monitoring equipment, many different types of networks, operating systems, specialized terminals, emulators and development tools.

RightHand continues growing and improving, leveraging expertise and expanding fields of specialty through continuous training. RightHand believes in providing its employees with a challenging and inclusive environment that encourages teamwork and creativity, enabling them to supply responsive deliverables within a highly defined development process.

Our goal is to exceed our customer's requirements. RightHand Technologies, Inc. believes this can best be achieved through communicating effectively. Our commitment to quality is fueled by constant continuous improvement. Innovation is a RightHand Technologies, Inc. hallmark. Incremental improvements ensure that each development continues to enhance customer value over the life of the product.

RightHand Technologies, Inc. understands suppliers play an integral part in maximizing our customers' satisfaction. RightHand Technologies, Inc. believes that through open lines of communication with the entire supply chain, we can maximize the quality of the product, while maintaining excellent delivery, cost and unparalleled service and products to our final customer.

RightHand Technologies, Inc. Ethics

RightHand Technologies, Inc. places a high priority on conducting its business in a manner that reflects our commitment to be morally responsible and ethical and comply with all legal requirements.

As our partner, it is important to us that you understand your role in helping us achieve this vision.

RightHand Technologies, Inc. Visitor Policy

Due to the nature of the product manufactured at RightHand Technologies, Inc., all visitors must sign in if they enter any of the facilities beyond the main lobby or the shipping and receiving areas. Visitors will be assigned a badge to be worn and visible at times. Visitors are prohibited from using cameras, camera cell phones, or other photographic devices on the premises.

All visitors must be accompanied by a RightHand Technologies, Inc. employee while walking through any facility.

Supplier Relations

RightHand Technologies, Inc. supports Best-in-Class supplier relations in meeting our needs and the needs of our customers. The focus of Best-in-Class is to work with leaders in the industry that are the most competitive in cost, quality, service and technology. Best-in-Class is characterized by objective cost targets, long-term commitments, and continual open communication between RightHand Technologies, Inc. and the supplier.

Supplier Responsibilities

- Supplier will maintain RightHand Technologies, Inc. confidentiality and sign a Non-Disclosure Agreement, when deemed necessary by RightHand Technologies, Inc.
- Supplier should be third party registered to a Quality System Specification such as one of the following:
 - ISO9001 current revision
 - ISO/IEC 17025 current revision
 - AS9100 current revision

NOTE 1: All suppliers must fill out a supplier questionnaire and submit it to Purchasing. Purchasing will retain all questionnaires NOTE 2: If you are a Customer designated source, do not have any of the above certifications, RightHand Technologies, Inc. reserves the right to conduct an onsite audit.

- Supplier will inform Purchasing of all activities that may affect the total product quality, delivery and cost.
- Supplier will notify Purchasing of any issues that relate to the ability to produce acceptable quality material within the pre-determined delivery window. Examples to include: capacity issues, raw material availability, delivery delays, etc.
- Supplier will notify Quality of any issues that relate to the ability to produce acceptable quality material which may have been sent to RightHand Technologies, Inc. or is in transit to RightHand Technologies, Inc. Examples to include: unqualified processes, process issues, etc.
- Supplier will negotiate purchasing agreements and all sales only with the Purchasing Department or other persons with delegated purchasing authority.
- Supplier will conduct negotiations ethically, **without** attempts to influence through offering valuable personal gifts or entertainment.
- Supplier will provide material certifications that demonstrate compliance with all performance specifications as requested on the purchase order.
- Supplier will package in a way to protect the product during shipment and maintain the integrity of the product during storage at RightHand.
- Supplier will label the product per RightHand Technologies, Inc. labeling instructions. such as part#, mfg. part#, PO, Qty, Revisions as applicable to the products.
- Supplier is expected to maintain 100% on-time delivery.

- Supplier clauses associated with the PO are listed in Appendix A
- Supplier will provide proof of liability insurance to the RightHand Technologies, Inc. to the President before providing contractual work at a RightHand Technologies, Inc. facility.

Processing ESD – Sensitive Material and Devices

Where applicable, supplier will have an ESD control program. RightHand Technologies adheres to JEDEC Standard, JESD625-A Requirements for Handling Electrostatic-Discharge-Sensitive (ESDS) Devices.

The basic components of an ESD Control Program are as follows:

- All ESD-sensitive materials and devices shall be clearly identified before processing.
- ESD protected areas shall be clearly identified within the facility.
- All employees that handle unprotected ESD-sensitive products shall have successfully completed ESD training.
- All employees shall be grounded when handling unprotected ESD-sensitive devices.
- All ESD control elements must be periodically verified per a defined compliance verification plan.

Supplier Records

All supplier quality records concerning RHT product including material and processing certifications will be retained for a minimum of 10 years unless otherwise stated. Quality records are legible, readily identifiable, retrievable and stored and retained in such way that they are readily retrievable. Records may be in the form of any type of media, such as hard copy or electronic media.

Supplier Ratings

Suppliers will be rated on various metrics defined in the Ratings Criteria section. If a section does not apply, it will not be used in calculating a Supplier's rating. The rating points will be based on a percent of the available total. It should be a goal of every Supplier to achieve and maintain a "Preferred" rating. See Appendix B for sample

Rating Categories

Preferred91 – 100 %

Suppliers in this classification are RightHand Technologies, Inc. best Suppliers. Not only do they meet or exceed our quality and delivery goals, they also support RightHand Technologies, Inc., through flexible scheduling, aggressive lead times, and controlling costs for the benefit of both parties. A Preferred Supplier is our partner and growth with these Suppliers will be encouraged.

Approved75 – 90 %

Suppliers in this classification meet RightHand Technologies, Inc. expectations. If issues arise with quality or delivery, they are resolved in a rapid manner. Growth with an Approved Supplier will not be restricted.

Conditionalbelow 75 %

Suppliers in this classification are either new to RightHand Technologies, Inc., (within the last 12 months) or on probation because of performance issues. RightHand

Technologies, Inc., Purchasing may control the growth of business with Suppliers in this classification or disqualify and re-source business.

New Suppliers - RightHand Technologies, Inc., Purchasing expects that within 12 months, a new Supplier will consistently meet the expectations of the Approved category. If the Supplier does not perform at or above levels, RightHand Technologies, Inc., may begin re-sourcing the product or service.

Existing Suppliers – Any Supplier having significant and/or continuous performance problems will be placed in this classification with appropriate corrective action requested. This may result in re-sourcing the product or service. RightHand Technologies, Inc., Purchasing reserves the right to resource to an alternative Supplier at any time.

It is important that rejected product or services have prompt resolution communicated to RightHand Technologies, Inc through written corrective action. Below are the points for percent of effective corrective actions received on time. Full credit is given if no corrective actions are required.

C/A Initial Response Points

0 – 10 Days **10**

11 – 30 Days **5**

More than 30 Days **0**

It is the Supplier’s responsibility to keep RightHand Technologies, Inc. informed as to changes in their Quality system or replacing expired documents; this includes submitting copies of your self-survey and any 3rd party quality certifications. Failure to do so may result in not receiving credit for this portion of the rating.

Status Points

A valid ISO/TS cert. **and** self survey is on file **5**

Valid Certification or Self survey is not on file **0**

Delivery.....25 points

It is important that product arrive on time. RightHand Technologies, Inc. will review the supplier delivery performance on a regular basis through out the year. One point will be deducted from the delivery score for each incidence of a late shipment when the Supplier was given notice within their designated lead time.

Quality:20 points

Information supplied is accurate; quality in product supplied. One point will be deducted from the quality score for each nonconformance occurrence.

SCORECARD

A scorecard based on the scoring method outlined above will be sent to each Supplier at the beginning of each calendar year. The scorecard will reflect performance from the previous 12 months. Once the rating has been completed, it is the Supplier’s responsibility to follow up with RightHand Technologies, Inc Purchasing or Quality Department for any challenges in your scores.

Non-Conformances

RightHand Technologies, Inc. may create a documented **Corrective Action Request (“CAR”)** when supplier-provided material and components is suspect and need to be quarantined. RightHand Technologies, Inc. will determine if the product is defective. Material and components will be determined to be defective when:

- Material is determined to be out of specification.
- Material is packaged improperly.
- Material is labeled improperly.
- Material does not meet form, fit, function, and appearance intent.
- Material is damaged when it is received at RightHand Technologies, Inc..

When defective material is found, RightHand Technologies, Inc. reserves the right to apply financial ramifications.

The RightHand Technologies, Inc. Quality Assurance Department also requires an 8D corrective action for parts that do not meet specification, packaging requirements, and design intent. All corrective actions require a response within 10 business days for initial containment and short-term corrective action. Following the initial response, RightHand Technologies, Inc. requires all corrective actions to have a final response on root cause and permanent corrective action completed within 30 business days from the original CAR notification.

Supplier will flow down the corrective action requirement to a sub-tier supplier (including key characteristics where required), when it is determined that the sub-tier supplier is responsible for the root cause.

When necessary, suppliers may file for extensions to Corrective Action deadlines with the RightHand Technologies, Inc. Director of Quality.

When suppliers have issues or concerns with SCAR, please contact RightHand Technologies, Inc. Director of Quality.

APPENDIX A

RightHand Technologies, Inc. Supplier Quality Clauses

NOTES: Clauses Q1-Q6 to Q8-Q19 apply to all Purchase Orders with the exception of commercial of the shelf (COTS) components which will require a CofC. **Clause Q7 applies when specified on the PO.**

Clauses Q19 and Q20 apply to all Purchase Orders for calibrated equipment or calibration services.

Q1 QUALITY/INSPECTION SYSTEM. The supplier shall maintain a quality/ inspection system which is in compliance with the requirements of AS9100 and/or ISO9001 to include: Receiving, First Article, In-Process and Final inspection.

Q2 CERTIFICATION OF CONFORMANCE. (C of C) attesting to the conformance of material, (which shall include verifying conformance to any specifications referenced on drawings and/or purchase orders) outside services performed, hardware, machining/manufacturing, etc. The C of C shall include at a minimum date, purchase order number, suppliers name, part number, drawing number and/or representative, lot, batch, serial number or other identification be signed by an authorized representative of the Supplier and shall accompany an order upon receipt of said items to RIGHTHAND TECHNOLOGIES.

Q3 SPECIAL PROCESSES. When specified, in addition to the requirements of Q1, both the vendor (supplier) and any subcontractor(s) used shall be a Nadcap approved source for said Processes.

The vendor (seller) shall be approved as per above to perform specific required Special Processes

Q4 RIGHT TO VERIFY. RightHand Technologies' customer shall be afforded the right to verify at the vendors (sellers) premises that the subcontracted product conforms to specified requirements.

Q5 RIGHT OF ENTRY. The Supplier shall include provisions in the subcontracts to allow the RightHand Technologies, Inc. their Customer, and Regulatory agencies Right of Entry to any place necessary to determine and verify the quality of contracted work, records and material. This includes suppliers at any level of the supply chain involved in the order and to all applicable records. This right shall also extend to the supplier's sub-tier suppliers. The supplier shall be given reasonable advance notice by RightHand Technologies, Inc.

Q6 RECORD RETENTION AND CERTIFICATIONS. Unless otherwise specified, records must be maintained for a period of 10 years and must be readily retrievable upon request by RightHand Technologies. Certification test data shall be traceable to the organization performing the testing, special processing and/or inspection(s) requested via RightHand Technologies' Purchase Order. All factual information shall be included to demonstrate conformance of specification and/or Purchase Order requirements.

Q7 RECORD RETENTION AND CERTIFICATIONS exceptions: When Q7 is noted; records must be maintained for a period of 30 years and must be readily retrievable upon request by RightHand Technologies. Certification test data shall be traceable to the organization performing the testing, special processing and/or inspection(s) requested via RightHand Technologies' Purchase Order. All factual information shall be included to demonstrate conformance of specification and/or Purchase Order requirements.

Q8 REPORT OF NON-CONFORMITIES OR INCONSISTENCIES WITH PRODUCT AND/OR PURCHASE ORDERS. The supplier shall review the Purchase Order and product manufacturing, processing, and/or testing requirements prior to its initiation. If errors or inconsistencies are noted

with the P.O., Part and or other document referenced by the Purchase Order the supplier must immediately notify RightHand Technologies or its acting delegation. Supplier proceeding with work without written concurrence does so at his own risk. Product will not be accepted by RightHand Technologies' Quality Assurance Department until the Purchase Order and all documentation referenced there on properly describe the comply with product delivered.

Q9 CORRECTIVE ACTION REQUEST. Acceptance of this purchase order obligates the seller to perform, upon request, a corrective action investigation when discrepant material is received by the buyer. A written report shall be furnished which is specific and conclusive to prevent a reoccurrence of the discrepancy.

Q10 IDENTIFICATION-LIMITED SHELF LIFE. Materials with limited shelf life (epoxy, paint, adhesives, etc.) shall indicate the date of manufacture, expiration or shelf-life and applicable specification on the container. At a minimum, product receipt shall not have less than 80% of its shelf life remaining.

Q11 PROHIBITED PRACTICES. The supplier does not have material review authority and shall not make any unauthorized repairs or substitutions by any means without RightHand Technologies or RightHand Technologies' customer' approval. Suppliers are required to inform the buyer prior to shipping material or products with changes in product, processes or manufacturing facility locations and obtain RightHand Technologies' approval.

Q12 PROHIBITED MATERIAL USES. Parts supplied on this Purchase Order require the following information every six months based on the semi-annual updates to the SVHC list. Notification REACH regulations (Registration, Evaluation, and Authorization of Chemical Substances - EC1907/2006) require companies selling product within the EU to notify customers if an article contains SVHCs in a concentration above 0.1 percent by weight of the part. For RightHand Technologies' customers to identify the name of the SVHC(s) and provide their customers with sufficient information to ensure safe use of the article, we solicit input from our suppliers.

Q13 CONFLICT MINERALS. Any PO calling for the purchase of parts containing Tantalum, Tin, Tungsten or Gold components are to be sourced to the best of the supplier's ability from areas that are in compliance with the Dodd-Frank Wall Street Reform Act of 2010. RightHand Technologies reserves the right to ask for an official statement on the supplier's Conflict Minerals policy at any time.

Q14 COUNTERFEIT RISK MITIGATION. The suppliers of electrical parts or assemblies shall document a policy compliant to the current revision of SAE AS5553, Counterfeit Electronic Parts; Avoidance Detection, Mitigation and Disposition.

Q15 FOREIGN OBJECT DEBRIS / DAMAGE (FOD). The supplier shall employ appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, if any, during operations and/or normal daily tasks and shall ensure FOD requirements are flowed down to sub-contractors and suppliers at every tier.

Q16. PACKAGING. As a minimum, the supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment. Parts received with inadequate packaging may be rejected and returned to the supplier.

Q17 FLOW-DOWN. The supplier shall flow-down all applicable requirements to subcontractors and suppliers at every tier.

Q18 AWARENESS:

Supplier Personnel must be made aware of their contribution to product or service conformity, to product safety, and their importance of ethical behavior; this should be flowed down to their sub-tier suppliers.

Q19 CALIBRATION SYSTEM. Calibration services and Supplier's calibration system shall meet the requirements of: ISO 17025, ISO 10012-1, AS9100, ANSI-Z540-1 or MIL-STD-45662.

Q20 CERTIFICATION OF CALIBRATION. The calibration service shall provide a certificate attesting to the accuracy of the items procured and be supplied with each shipment. This certification must contain all the test parameters necessary to demonstrate conformance to the manufactures specifications and shall be traceable to National Institute of Standards and Technology (NIST).

APPENDIX B

Sample Supplier Scorecard

Supplier Score Card

Supplier: ABC Manufacturing, LLC Email: orders@abcmfg.com		Review		Date		3 Good 2 Needs Improvement 1 Immediate Action Required		2017 Comments		2018 Comments		Supplier Comments	
		2017	2018										
Reviewer Name: Yvonne Marcial / David Belcher													
Quality		Avg		●	3.0								
1) Product Conforms to Specifications					3								
2) Certified Quality System					3								
3) Complete paperwork including CoC					3								
Purchasing		Avg		●	3.0								
4) Responsiveness of administrative personnel					3								
5) Reasonable/flexible min quantity orders					3								
6) Written order and delivery acknowledgment					3								
7) Invoicing and paperwork correct					3								
Delivery		Avg		●	3.0								
8) On Time Delivery					3								
9) Clearly defined and reliable lead time					3								
10) Correct packing slips					3								
Issue Resolution		Avg		●	3.0								
11) Corrections or repair turnaround time					3								
12) Responsiveness of support personnel					3								
13) Responsive to emergency requests					3								

