



ALTEC SUPPLIER QUALITY POLICY

1 SCOPE

- 1.1** This policy applies to all goods supplied to Altec, Inc., its subsidiaries and affiliated companies (hereinafter "Altec"), to ensure that Altec can provide a safe and reliable product for our customers. Altec is committed to developing strong relationships with our suppliers. This policy is designed to be a driving force for continuous quality improvement.

2 REQUIREMENTS

- 2.1** Supplier must ensure that components are made per Altec prints and applicable procedures, (i.e. – EN's, EMS's, MTS's, etc) which are typically called out on the prints. Any deviation from these documents requires written authorization from Altec. Supplier attests that they are able and have the means necessary to produce the parts and items as agreed upon. Supplier must have a Quality Management system in place that at a minimum has a corrective action system and keeps records. Supplier must agree to and sign this "Altec Supplier Quality Policy." All items must meet the 'Purchase Condition', which is notated on all purchase orders. By accepting the purchase order, supplier agrees to the requirements listed in the Altec Supplier Quality Policy.

PURCHASE CONDITION: All materials furnished on this purchase order must meet all Federal Motor Vehicle Safety Standards applicable at the date of shipment. By furnishing the materials and or services requested on this purchase order the supplier agrees to Altec's terms and conditions which can be viewed at <http://suppliers.altec.com>

Furthermore, all material and quality management requirements must be met, as referred to in the Supplier's signed Altec Supplier Quality Policy.

- 2.2** Supplier shall notify Altec when the supplier determines that previously shipped product is noncompliant.

2.3 FIELD RETURNS

- 2.3.1** Applies to components that have been placed into service. Warranty on such components will start from the "In Service" date of the Altec unit.
- 2.3.2** Suppliers will be contacted for a return authorization. Two business days will be allowed for response from the supplier. Once authorization is received, or response period has elapsed, the return process will begin.
- 2.3.3** All components returned to Altec under the terms of the Altec Limited Warranty will be returned to the original supplier of the component. At that time, Altec will debit the supplier for the component's most current cost to Altec and freight expense.
- 2.3.4** Labor and travel terms will be determined per each supplier. In alignment with the Altec Limited Warranty, travel cost can only be charged back to the supplier within the first 90 days that the unit is in service with an Altec customer.
- 2.3.5** Altec will require that a supplier share in the responsibility for all expenses incurred due to a required component recall. These expenses may include, but not be limited to, labor, travel, freight, expenses and/or fines.
- 2.3.6** Repaired components (field returns) can be accepted as warranty replacements. Components must be returned in an "as new" condition. They cannot be returned for use in production.

ALTEC SUPPLIER QUALITY POLICY

- 2.3.7 The supplier will have 30 days from receipt of component at the supplier's manufacturing facility to evaluate the component and return a complete and documented evaluation of the failed component. If no response is received within 30 days, the debit will stand. Suppliers will be measured on the timeliness of responses and past due evaluations. Altec will not be responsible for fees relating to evaluation of returned components.
- 2.3.8 If it is agreed that a component failed for reasons that would not fall under supplier responsibilities, Altec will reimburse the debited cost within 30 days of such agreement.

2.4 LINE REJECTS

- 2.4.1 The following applies to material received by Altec that is found to be defective during the manufacturing and assembly processes at Altec on units that have not yet been placed into service.
- 2.4.2 Suppliers will be contacted for a return authorization. Two business days will be allowed for response from the supplier. Once authorization is received, or response period has elapsed, the return process will begin.
- 2.4.3 All returns will be immediately debited to the supplier. After the defect has been corrected, parts can be shipped back to Altec in an "as new condition". The part can only be shipped on the next open purchase order for that specific component.
- 2.4.4 When possible, the supplier will be given the option to perform inspections and/or replacement of defective components at Altec locations instead of Altec performing those inspections or replacements.
- 2.4.5 Labor costs incurred in the process of troubleshooting, replacement and handling of line rejects will be billed directly to the supplier at the time of component return. Labor costs will be billed at the current Altec labor rate.
- 2.4.6 The supplier may be responsible for freight costs incurred in the process of shipping defective material back to the Supplier from Altec.
- 2.4.7 The supplier will have 30 days from receipt of component at the supplier's manufacturing facility to evaluate the component and return a complete and documented evaluation of the failed component. If no response is received within 30 days, the debit will stand. Suppliers will be measured on the timeliness of responses and past due evaluations. Altec will not be responsible for fees relating to evaluation of returned components.
- 2.4.8 If it is agreed that a component failed for reasons that would not fall under supplier responsibilities, Altec will reimburse the debited cost within 30 days of such agreement.

2.5 SUPPLIER CORRECTIVE ACTION REQUEST

- 2.5.1 At Altec's discretion, a Supplier Corrective Action Request may be issued to address a quality defect. Supplier will be required to respond with a plan that includes: containment, root cause analysis, corrective action(s), and preventative action(s).
- 2.5.2 Containment plans are required within 48 hours of SCAR issuance and must stay in place until SCAR is accepted and closed by Altec.
- 2.5.3 Root Cause and Corrective actions are required within 30 days and must show detailed investigation and effective corrective action to eliminate the problem / defect.



ALTEC SUPPLIER QUALITY POLICY

3 SUPPLIER QUALITY PERFORMANCE

3.1 This will be monitored by one or more of the metrics below. Suppliers have the ability to gain access to view the following metrics in the supplier portal.

3.1.1 Field returns and In-line rejects will be expressed as a percentage of purchases over a given time period.

3.1.2 Field Returns and In-line rejects expressed as number of incidents.

3.1.3 The ratio of Altec Evaluations returned on time verses the number issued for that supplier in that calendar year.

3.1.4 SCAR response containment and closure



ALTEC SUPPLIER QUALITY POLICY

Date: _____

_____ is in agreement with the Altec Supplier Quality Policy.
(Supplier Name)

Field Returns Labor Terms: \$64/hr

Field Returns Travel Terms: \$64/hr

For Altec Use Only.
Comments:

ACKNOWLEDGED AND ACCEPTED BY SUPPLIER:

Supplier: _____

Signature: _____

Title: _____

Date: _____

ACKNOWLEDGED AND ACCEPTED BY ALTEC:

Altec: _____
[Altec Industries, Inc./Other Altec Entity]

Signature: _____

Title: _____

Date: _____



PROCEDURE NUMBER: MCP-0029-H

ORIGIN DATE: 30-APR-2008

REVISION DATE: 30-AUG-2023

ALTEC SUPPLIER QUALITY POLICY

Revisions

Revision Date: (05-01-08) -- Revision Level: **A** -- Revision Request #:

Authorized By:

Change Summary: Document released

Revision Date: (04/08/13) -- Revision Level: **B** -- Revision Request #:2930

Authorized By: Wade Wetlaufer

Change Summary: Updated policy to reflect current practices. Removed "services from the scope. Added return authorization process and evaluation time frame to section 1.1. Added "Altec will not be responsible for fees relating to evaluation of returned components" to sections 1.1 and 1.2. Added containment and root cause/corrective action time requirements to supplier corrective action request section. Added SCAR response to supplier quality performance section.

Revision Date: (03-07-14) -- Revision Level: **C** -- Revision Request #: 2977

Authorized By: Kyle Dorsey

Change Summary: Removed requirement for suppliers to use an Altec provided supplier evaluation form.

Revision Date: (11Jan2016) -- Revision Level: **D** -- Revision Request #: 3069

Authorized By: Kyle Dorsey

Change Summary: Previous policy did not communicate Altec Quality Management requirements for suppliers. This was added in response to an internal audit nonconformance.

Revision Date: (10Jul2017) -- Revision Level: **E**

Authorized By: Tiffany Smith

Change Summary: Edited the field returns labor and travel terms to be \$64/hr instead of an open field.

Revision Date: (29Jan2018) -- Revision Level: **F**

Authorized By: Loni Wood

Change Summary: Updated scope to list "Altec, Inc., its subsidiaries and affiliated companies (hereinafter "Altec")." Updated disclaimer in footer to state "Altec, Inc., its subsidiaries and affiliated companies." Removed additional signature lines and updated. Updated formatting of document.

Revision Date: (28-MAR-2018) -- Revision Level: **G**

Authorized By: Loni Wood

Change Summary: Updated signature line. Removed Ownership, Owner, and Approval Authority

Revision Date: (30-AUG-2023) -- Revision Level: **H**

Authorized By: Cory Auringer

Change Summary: Added section in Line Rejects referring to incurred freight costs. Updated formatting to QAS-0000.