

Supplier Quality Manual

DOCUMENT #: ORG-SQM-001
REVISION: 1
ISSUANCE DATE: 6/15/22

1.0 PURPOSE

- 1.1 This Supplier Manual is to be used as a guideline for all Fathom Suppliers. Fathom is committed to working with suppliers to ensure customer satisfaction through conformance to Quality requirements, competitive costs, improved communication, reduction of variation, elimination of nonvalue added work and meeting delivery expectations.

2.0 SCOPE

- 2.1 Applies to all suppliers of materials, products or services to Fathom. It is the responsibility of all first-tier suppliers to ensure their sub-contractors and/or service providers comply with this manual.
- 2.2 Suppliers that provide products or services which have no direct impact on meeting sellable part requirements may be exempt from the scope of the SQM.
- 2.3 Fathom Purchasing and, or Quality personnel are authorized to apply the exemption when applicable.

3.0 EXPECTATIONS

Fathom has the following expectations of all suppliers. The suppliers shall:

- Provide 100% Quality parts/services with 99-100% on-time delivery
- Continually strive to enhance product quality and manufacturing productivity to meet increasing competitive pressure in our local/global economies.
- Comply to and or follow U.S. security guidelines as applicable. E.g. ITAR, C-TPAT.
- Follow the laws and security guidelines of other countries as applicable.

4.0 QUALITY SYSTEM REQUIREMENTS

- 4.1 The Supplier must establish, maintain and demonstrate quality systems that ensure products and services conform to Fathom purchase agreements and specifications at the supplier locations and throughout the supply chain.
- 4.2 All suppliers must complete and submit a supplier profile. Suppliers should submit their Quality Manual if available.
- 4.3 Fathom prefers but does not require suppliers to provide proof of certifications to ISO 9001 or any other standard from an accredited registrar. However, all suppliers must be able to demonstrate adherence to a controlled Quality System or similarly ISO compliance.
- 4.4 The supplier quality system should ensure that products are traceable to raw materials or components used in the manufacturing process, production operation, and date of manufacture, revision level and records of evaluation of conformance. Product should have positive identification at all times to address traceability via lot numbers, date codes or other means as applicable.
- 4.5 Suppliers of services and non-production materials that support Production Operations shall be required to show proof of an effective quality management system if deemed necessary by Fathom.

- 4.6 In cases where a supplier's quality system does not meet these requirements, the supplier may be required to provide an action plan and timeline leading to full conformance that complies with Fathom requirements outlined in this SQM.
- 4.7 In the event a supplier's quality registration status changes or is suspended, the supplier must notify Fathom within five (5) business days. In this case, the supplier may be audited by Fathom and/or be required to provide documentation explaining the status change including a plan for corrective action.

5.0 RECORD RETENTION REQUIREMENTS

- 5.1 Quality records shall be maintained so they remain legible and are available for review upon request and may be in any media such as electronic or hardcopy.
- 5.2 Records should include accurate, updated and complete quality data. Material Safety Data Sheets (SDS) or applicable international documentation, certificates of compliance (C of C), process documentation, or other information as applicable and required.
- 5.3 Records shall be kept for defective components and assembly processes to highlight problem areas and trends.
- 5.4 Records of production materials shall be maintained for a minimum of ten (10) calendar years, or per the accepted industry standard requirements, or per customer requirements whichever is greater. Records of non-production materials and services shall be maintained for a minimum of three (3) calendar years, or per the accepted industry standard, or per customer requirements, whichever is greater.

6.0 APPROVAL FOR SUPPLIERS

- 6.1 Fathom Purchasing and Quality Assurance Team evaluate all new suppliers.
- 6.2 All potential suppliers must submit the following items:
 - Completed Supplier survey form provided by Fathom.
 - Proof of ISO 9001 certifications, or equivalent, as applicable.
 - Confidentiality Agreement when required by Fathom.
 - The Fathom SQM acknowledgement form signed by the Supplier.
- 6.3 After the required information has been received. Fathom personnel will review the information submitted. Dispositions are, but not limited to:
 - The Supplier will be approved and added to the ASL.
 - Request additional information from the supplier.
 - Eliminate the supplier from further consideration as a supplier.
- 6.4 The final authority to approve the addition of a new Supplier resides with Sourcing Manager, or equivalent.

7.0 SUPPLIER EVALUATION METHOD

- 7.1 Suppliers are measured on a quarterly frequency in two key objective categories (quality and delivery), and subjectively in responsiveness and communication.
- 7.2 **Objective Measurement**
 - 7.2.1 Performance metrics will be examined to affirm that the supplier continues to meet Fathom minimum requirements for quality, and schedule performance.
 - PPM = ≤ 500
 - OTD = $\geq 95\%$
- 7.3 When unresolved issues exist, Fathom may request a corrective action plan from the supplier to resolve their issues.

7.4 If satisfactory progress is not made on the timetable jointly developed, Purchasing will decide whether or not to remove the supplier from the ASL

7.5 Subjective Measurement

7.5.1 The subjective supplier performance rating is based on the overall level of communication and responsiveness the supplier maintains with Fathom's Purchasing team.

7.5.2 Suppliers are expected to consistently communicate with Fathom applicable departments regarding schedule changes and delivery dates, on time response to corrective actions, identifying opportunities for cost reductions, continuous improvement, etc.

8.0 PROPRIETARY / CONFIDENTIALITY INFORMATION

8.1 All drawings / documentation supplied to Fathom's suppliers with regards to purchase orders or request for quotes are to be considered proprietary information. This includes, but it is not limited to samples parts, sketches, drawings and specifications which shall remain the property of Fathom. Supplier shall treat the information as confidential unless otherwise agreed in writing from our purchasing group.

9.0 NEW MOLD / PART APPROVAL

9.1 Molds, parts or components being sourced must meet all engineering and quality specifications as reflected in Fathom's Purchase Order, provided drawings, or equivalent.

9.2 Where required, suppliers will submit PPAP or equivalent, and obtain pre-approval from Fathom prior to initiating a Production run.

10.0 FIRST ARTICLE INSPECTION

10.1 A First Article Inspection, as requested, is performed by the supplier in accordance with the Fathom drawing specified on the purchase order.

- Each characteristic, feature or note on the drawing should be inspected and verified for conformance, and the results recorded as follows:
- Actual measurements / results for variables data (must indicate Pass or Fail on the supplier's inspection report)
- Pass / Fail for attributes data
- A balloon print identifying the item checked which correlates with the actual measurement, feature, or note.
- Certificates of Conformance
- Raw material certifications
- Special process certifications (plating, paint, chemical conversion coating, etc.)
- Product Safety Compliance Characteristics, as specified.

10.2 Fathom Receiving Inspection reviews the 1st article package for completeness, accuracy and legibility, verifies randomly selected characteristics and features for accuracy and compliance.

10.3 Quality will review the information and will accept or reject the FAI.

10.4 First articles are required for the following:

- New part being ordered for the first time
- New Supplier
- Design change to the current part (inspection is required only for the change)
- Part that is used for engineering which will be used for production in the future
- Process changes.

- Part has not been produced in over 2 years.
- 10.5 Conforming First Article Reports are approved and distributed. Nonconforming First Article Reports are returned back to the supplier so that corrections can be made. Continuous rejections will warrant a re-evaluation of the supplier's capabilities.

11.0 DISCOVERY OF DEFECTS

- 11.1 Defective material or service may be identified at any point in the process including incoming inspection, use, consumption, assembly or packaging. Defects can also be discovered during surveillance, validation at the end customer or through warranty claims.

12.0 SUPPLIER NOTIFICATION

- 12.1 Suppliers may be notified through communication of a corrective action request upon the detection of non-conforming material and/or service or when late delivery results in a line shutdown condition). Fathom at its discretion may:
- Reject the entire lot and return to the supplier for replacement, screening or repair.
 - Sort, screen or rework the non-conforming material at Fathom facility: Supplier resource(s) and or third parties may be required to support the rework.

13.0 CORRECTIVE ACTION

- 13.1 Suppliers to Fathom are responsible with providing defect-free products and services. When quality issues occur, the supplier is required to determine root cause and corrective action to resolve the issue and to prevent re-occurrence.
- 13.2 Supplier will support Fathom with technical assistance and field support to rectify any substantiated non-conformance. Fathom reserves the right to recover justified expenses from suppliers for performance failures related to the quality and delivery issues.

14.0 SUPPLIER RESPONSE

- 14.1 **Action**
- 14.1.1 Suppliers must take immediate action upon receipt of a supplier corrective action request including direct contact with Fathom Purchasing department as specified; unless, the request states "information only".
- 14.2 **Response Time**
- 14.2.1 Fathom requires that the corrective action be returned on or before the due date indicated on the report.
- 14.2.2 The listed due date is a reasonable amount of time for the supplier to respond.
- 14.2.3 An extension to the original due date may be requested if mutually agreed between the Supplier and Fathom Purchasing / Quality team.
- 14.3 **Content of Response**
- 14.3.1 The Corrective Action response must include or document:
- Definition and verification of the non-conformance root cause including supporting data and/or study results.
 - Verification of permanent corrective action including supporting data, and implementation dates.

- Fathom prefers the 8D format.

15.0 SUPPLIER DEVIATION REQUEST

- 15.1 The supplier shall notify Fathom Purchasing upon becoming aware the product to be shipped does not conform to the drawing/specification or purchase order requirements.
- 15.2 The supplier shall notify Fathom Purchasing in writing prior to any change in process or modification of tooling, test equipment or acceptance test procedures.
- 15.3 The request must be made and approved prior to the shipment of discrepant material.
- 15.4 If the deviation is not approved, the supplier may not release deviated product. Unapproved product may be rejected and returned without payment.

16.0 ON-SITE ASSESSMENTS

- 16.1 Suppliers may be audited by Fathom to establish capability prior to placement of new business and to investigate potential risks. Fathom reserves the right to perform periodic on-site appraisals of the supplier facility, quality systems, records, and product ready for shipment.

17.0 PACKAGING, LABELING AND HANDLING

- 17.1 In-process and finished products shall be appropriately packaged to protect them from scratches, dents, or other types of damage. Packaging shall meet all applicable shipping laws, codes, and regulations. All shipments shall be packaged or placed in a new container; unless, otherwise specified. Packing slips shall be attached to the carton exterior in shipping envelopes.
- 17.2 All packaging must be qualified to International Safe Transit Association (ISTA) test standards as appropriate or to the requirements of the purchase order. In the event of a conflict, the purchase order has precedence.
- 17.3 The supplier shall ensure that all Fathom packaging is clean and free from dirt, debris, foreign materials, and damage.
- 17.4 Any packaging/shipment that does not comply with this requirement may be rejected at Fathom's discretion.
- 17.5 Packaging shall be labeled in accordance with Fathom Purchase Order Specifications and Terms & Conditions.
- 17.6 The Packing Slip shall include the purchase order number, part number, manufacturing part number, quantity, lot number, address, gross weight in pounds, deviation if applicable, and any other specified requirements as instructed by Fathom.
- 17.7 Supplier shall identify consumable materials (MRO) package(s)/container(s) with shelf-life, the manufacture date and the expiration date along with any special storage and handling conditions, in addition to the normal identification requirements. **If not otherwise specified, a minimum of 75% shelf-life must remain upon receipt at Fathom.**

18.0 GOVERNMENT, SAFETY AND ENVIRONMENTAL REGULATIONS

- 18.1 All purchased materials shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials; as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale.

PUBLIC

Public Release Authorized

18.2 The supplier must follow U.S. Customs security guidelines for C-TPAT if involved in importing goods to the United States of America. All metals supplied to Fathom must comply with the US Government and regulations on sources of specialty metals (DFARS compliant).

19.0 CONTINUOUS IMPROVEMENT

- 19.1 Suppliers are expected to demonstrate a commitment to continuous improvement in products and processes provided to Fathom.
- 19.2 With focus on Value Add-Value Engineering, Process Optimization, Cost Reduction which are an integral part of the long-term success. Suppliers are expected to develop and maintain the ability to offer cost avoidance/reductions, lead time improvements through effectively implementing internal quality programs and techniques.

20.0 COUNTERFEIT PARTS

- 20.1 Seller shall purchase material directly from Original Equipment Manufacturer (OEM)/Original Component Manufacturer (OCM) or from Authorized Distributors of OEMs/OCMs and shall obtain approval from Fathom if items required to satisfy this order cannot be procured from these sources.
- 20.2 Seller is not authorized to deliver any item procured from sources other than OEMs/OCMs and their Authorized Distributors without prior written authorization from Fathom.
- 20.3 The OEM, OCM, or Franchised Distributor shall provide a Certificate of Conformance, certifying the authenticity of the equipment and/ or component provided. If Fathom approves a purchase from a Broker, the Broker must provide a Certificate of Conformance from the OEM or OCM. The Broker must also provide their own certification that warrants the parts to be original, not refurbished or reworked.
- 20.4 The seller shall provide traceability identifiers (i.e. Date Code / Lot Code, Serial number) for all items delivered to Fathom which contain an item procured from sources other than an OEM or OCM or their Authorized Distributors.
- 20.5 Seller shall flow down and ensure compliance with these requirements by their sub-tier suppliers providing items to Fathom.

21.0 REVISION HISTORY

Rev	Change Summary	Author	Effective Date	DCO #
1	Originated	Keith Hess	6.15.22	n/a

