



Supplier Quality Manual

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1.0 INTRODUCTION

We at Conectec RF are dedicated to serving the automotive industry by providing excellence in quality RF cable assembly design and related products. Exceeding customer expectations is the first priority of every employee at Conectec RF. Our continued growth and security will result from the success generated by our people working together to develop, innovate, manufacture, and market quality products. This objective will be achieved by initiating a comprehensive supply management strategy consisting of the following goals:

- Long term business relationships with a reduced supplier base;
- Linkage with key suppliers during the New Product Introduction phase;
- Reduction of lead times;
- Just in time delivery;
- Zero defect receipts;
- Supplier productivity improvement.

Attaining this level of quality requires teamwork between Conectec RF and our suppliers. This goal can only be accomplished through open communication. The premise of this manual is to communicate to our suppliers the requirements of our customers.

We intend with these requirements to clarify the basic elements that are essential for an effective supplier relationship. Each supplier must establish and maintain a quality function to assure that all materials, equipment and services supplied to Conectec RF will meet all specifications, federal safety regulations and industry standards.

Conectec RF's expectations of suppliers are based on the following criteria:

- Suppliers must assume full responsibility for the quality of their products and services.
- Defect identification and prevention through the development of an effective quality system must be instituted. This system shall be based on sound quality planning and proven process capabilities that include the implementation of statistical process control techniques.
- The supplier is responsible for conforming to Conectec RF's specified requirements. Verification by the purchaser shall neither absolve the supplier from the responsibility to provide acceptable product nor preclude subsequent rejection.
- Assurance of end-use product quality must be maintained through careful consideration of material handling techniques, as well as packaging and shipping devices. This assurance includes the understanding of transportation requirements and routing instructions to insure proper consignment and carrier use.

Competitive pressures require suppliers to improve product quality and manufacturing productivity on a continual basis by reducing variability within the given specifications, while meeting federal safety regulations and industry standards.

2.0 CONECTEC RF SUPPLIER EVALUATION

With the Supplier Evaluation Process, Conectec RF hopes to insure that all of our suppliers meet or exceed the quality and supply requirements of Conectec RF and our customers.

2.1 SUPPLIER PERFORMANCE RATING

The Supplier Performance Rating is a tool used to monitor each supplier's performance in meeting and reacting to Conectec RF's expectations and demands. This report provides a statistical representation of each supplier's performance based on the following criteria: Product Acceptance, On-Time Delivery Performance, and Cost & Service. Each criterion is weighted by its importance to the manufacturing process.

Product Acceptance (Quality): 60%

On-Time Delivery Performance 30%

Cost & Service 10%

2.2.1 PRODUCT ACCEPTANCE (QUALITY)

Product Acceptance measures the ability of a supplier to provide product that meets the specifications. This measure is calculated by the number of good lots received divided by the total number of lots received.

2.2.2 ON-TIME DELIVERY PERFORMANCE

Delivery Performance calculates the supplier's ability to provide shipments on time. The guidelines dictate that shipments should be no more than 2 days early and 2 days late. Delivery Performance is calculated by dividing the total number of lots less those lots received 2 days early or 2 days late by the total number of shipments.

2.2.3 COST & SERVICE

Cost & Service rating is soft measurement of lead time, price competitiveness, easy of order placing, openness to negotiation, flexibility, response to change & emergency, reject material response & corrective action effectiveness, and accuracy & timeliness of paperwork & quotation.

2.2.4 REPORTING

Conectec RF Materials Department will provide suppliers with the results of the Supplier Performance Report once per quarter.

Yearly cumulative rating will be based on the ratings of the four quarters in that calendar year.

2.2.5 SUPPLIERS TERMED "HIGH IMPACT TO QUALITY"

Suppliers who fall into the "unacceptable" category on the Supplier Performance Report for two quarters in the same calendar year, will be termed "High Impact" and will be subjected to the following Conectec RF audit:

- Review of Supplier's Quality Manual using ISO/TS 16949 Checklist
- Review of any or all of the following:
 - Internal audits
 - Customer audits

- Operating procedures, etc.

Supplier may be requested to visit Conectec RF to answer questions pertaining to the above documents.

Suppliers may be requested to host Conectec RF Quality Personnel and/or Purchasing Personnel, while an audit is conducted. Product supplied by supplier termed “High Impact” may be subject to receiving inspection.

3.0 INTRODUCTION TO THE SUPPLIER QUALITY SYSTEM

The Conectec RF, approach to all systems is based on our customers' requirements and though the specific requirements vary somewhat by customer, the overall intent is consistent. ISO/TS 16949 certification as our standard Quality Systems Requirements defines the fundamental quality expectations of Conectec RF, , for internal and external suppliers of production parts and service parts and materials. Conectec RF, will perform quality system development using the Quality System Requirements as the fundamental quality system requirement. Suppliers are required to meet the customer-specified requirements of Conectec RF’s customers, as appropriate. The following Conectec RF-specific requirements shall be applied in addition to the customer-specific requirements.

3.1 OUTGOING PRODUCT CONTROL AND CERTIFICATION

3.1.1 RAW MATERIALS

Certification must be available with each lot supplied. Specific requirements for necessary test data shall be included on the purchase order, referenced standards, or engineering specifications.

3.1.2 PURCHASED COMPONENTS

Conectec RF has established that we will utilize the A.I.A.G. Production Part Approval Process (PPAP) as the foundation for our initial sample approval procedure, and it is our intention that all purchased components and final assemblies for automotive applications shall be warranted product. Warranted product is material that has been approved for production per the requirements of section 5.0 of this document. That includes submission by the supplier of a Part Submission Warrant (PSW) and its subsequent approval by Conectec RF Quality.

It must be the goal of every supplier to deliver only warranted product to Conectec RF. All warranted product goes from dock to stock bypassing Receiving Inspection after the PPAP approval. This process is controlled by Quality Assurance. All other warranted product with acceptable product conformance history, can only bypass Receiving Inspection as approved by Purchasing and Quality.

Packaging materials are warranted immediately after PSW approval with no receiving inspection.

Conectec RF reserves the right to verify product on the supplier's premises. Any rejected material shall be handled through Conectec RF’s Materials Department and shall be released at the discretion of Conectec RF’s Quality Department.

3.1.3 CERTIFIED STOCK

Certified Stock is material that has been 100% sorted or otherwise qualified after a supplier has been notified of a rejection. Certified Stock shall be clearly identified. Normally warranted product that has been rejected by Conectec RF, and then submitted as Certified Stock may NOT be warranted until full approval of the supplier's corrective action has been granted.

3.2 REQUEST FOR PRODUCT DEVIATION

Products that do not conform to Conectec RF specifications may not be shipped without a written approval on 'Supplier Deviation Request Form'. This form is available through Conectec RF Purchasing department. If the supplier is unable to manufacture production components and materials to Conectec RF specifications, a request for deviation can be made by contacting Conectec RF Purchasing prior to production submission. The Conectec RF Product Deviation Notice shall be initiated by Conectec RF Purchasing and a deviation number issued by Conectec RF Quality Assurance.

The supplier is responsible for putting the assigned Product Deviation Notice number on each container to notify Conectec RF Receiving and Quality Assurance of the deviation. The Product Deviation Notice approval number is assigned for the quantity and/or time specified by the deviation. Once the deviation has expired, all future shipments found to be non-conforming to specification will be rejected.

4.0 NON-CONFORMANCE TO SPECIFICATION

4.1 SUPPLIER CORRECTIVE ACTION

It is the responsibility of the supplier to provide Conectec RF with products that conform to the current revision of all applicable drawings and specifications. The supplier is expected to have in place the necessary systems and procedures to insure the manufacture and shipment of conforming products.

If non-conforming products are detected at Conectec RF, it is the supplier's responsibility to isolate Conectec RF, from the effects of this problem. This includes, but is not limited to, disruption of production schedule, quality effects, and additional costs incurred as a direct result of the nonconformance.

Key requirements of suppliers include:

- The supplier may, upon notification at rejection at Conectec RF, be asked to provide "Certified Stock" to Conectec RF by the time agreed upon by Conectec RF Materials Department and the supplier to meet Conectec RF production needs.
- If the nonconforming material is needed to meet Conectec RF's delivery schedules before "Certified Stock" is available, Conectec RF may elect to deviate, sort, rework or otherwise disposition the material. Whenever possible, the supplier will be notified in advance if this is necessary. Cost associated with the rejection will be the responsibility of the supplier. These costs may include, but are not limited to, material shipping, scrap, handling, direct or indirect labor, and contracted services.
- The supplier will work with Conectec RF Materials Department to make disposition of rejected material held at Conectec RF. Samples will be made available. If the supplier has not responded

within two weeks, Conectec RF, may return the material freight collect and issue a debit to cover costs incurred as a result of the rejection.

· In the event of an issue that results in a stop ship or a quality issue that results in field action, Conectec RF will conduct a systematic review with supplier to assure implementation of corrective actions across appropriate supplier facilities.

5.0 PRODUCTION PART APPROVAL PROCESS (PPAP)

The purpose of Production Part Approval is to determine if all engineering design records and specification requirements are properly understood, and insure the process has the potential to produce product meeting these requirements during an actual production run.

5.1 APPLICATION

This document covers generic requirements for Production Part Approval for all production commodities. It applies equally when these commodities are produced internally by Conectec RF, or externally by outside suppliers. In this document, the term "suppliers" refers to either internal or external sources.

The supplier shall fully comply with all requirements set forth in the Production Part Approval Process (PPAP) Manual.

5.2 CONECTEC RF, SPECIFIC INSTRUCTIONS

- a.) Preliminary Process Performance must be based upon 30 pieces per cavity or station.
- b.) Submission level is to Level 3 unless specifically noted otherwise on purchase order.
- c.) Measurement system variation must be within 10% of part tolerance. Levels from 10-30% must have approval from Conectec RF Quality.
- d.) Material testing done on raw materials must be from an A2LA accredited laboratory unless agreed upon ahead of time.
- e.) Each submission to Conectec RF must be packaged separately and identified as PPAP samples.
- f.) Parts from multi-cavity tools must have integrally cast, molded, or embossed identification numbers or letters on them, consistent with the method of manufacture. Should the supplier find upon completion of his inspection reports that some specifications have not been met, the Conectec RF Engineering and Quality Departments must be notified before submitting parts for formal approval.
- g.) Suppliers must receive disposition of part approval prior to production shipments unless specifically authorized by Conectec RF Purchasing and Conectec RF Quality.

5.3 SUBSEQUENT SUBMISSION

Any changes to prints require a new PPAP submission. The submission level and requirements will be identified on the approval form that is sent with the print. Additional, the supplier **MUST** put a colored 8.5 x 11 sheet of colored paper on four sides of the shipment with the following information

Attn: Materials Manager
New Revision Levels Parts
Revision # _____

6.0 PACKAGING AND IDENTIFICATION REQUIREMENTS

6.1 SHIPMENTS

All material must conform to the following specifications unless specifically agreed upon in writing by Conectec RF Materials Department.

6.2 CONECTEC RF INBOUND ROUTING GUIDE

Please use the following guidelines when routing product to Conectec RF:

- Routings must be shown on all Purchase Orders where applicable.
- Expedited shipments should be handled through Conectec RF Materials Department.
- Shipments made on pallets, platforms, skids, or racks must indicate on the Bill of Lading the gross weight, tare weight, and net weight.

Receiving hours:

- Normal Receiving Hours are from 7:00 a.m. to 4:30 p.m., Monday through Friday.
- After-hour receipts will be accepted by appointment only and must be cleared through the Conectec RF Receiving Department at 847-519-0100, extension 132.

6.3 SHIPPING AND PACKAGING SPECIFICATIONS

6.3.1 TRUCK SHIPMENTS - LTL

I Marking

A. Consignee address to be placed on two sides of all containers. On full unitized loads, (shrink/stretch wrapped or banded skids), a prominent address label may be placed on adjacent sides of load in lieu of individual carton addressing.

B. All cartons to be identified on two adjacent sides with stencil lettering or labels not less than 3"X2" and characters 1/2" to 3/4" in height.

C. Label/stencil information is to be arranged in a manner that will insure that opening and closing the container will not cause loss of identification and is to include:

1. Purchase Order Number
2. Conectec RF Part Number
3. Quantity
4. Unit of Measure

D. Legible handwritten markings are acceptable. Same requirements above apply.

E. Precautionary markings are to be applied as needed (Fragile, Stack X High, Hazardous, etc).

II Packing List

A. Packing list to accompany each shipment showing:

1. Conectec RF Purchase Order Number
2. Conectec RF Part Number
3. Number of cartons per part number
4. Number of pieces per container and total quantity

B. Packing list to be securely fastened to outside of last unit load placed on vehicle. Packing list may be placed inside container as long as "Packing List Enclosed" is clearly marked on load.

- C. Attach packing list securely.
- D. If necessary, packing list can be attached to carrier freight bill or bill of lading.

III Pallets and Skids

- A. All truck shipments must be palletized.
- B. EFFECTIVE MAY 1, 2005, ONLY 40" x 48" skids will be accepted. This is for "finished product" as well as component parts. Orders sent on anything other than 40" X 48" skids will be subject to a \$50 restocking fee unless authorization has been issued by Conectec RF Materials Department prior to shipment.
- C. Maximum height of full unit loads (including pallet) not to exceed 52." Total weight of load not to exceed 3000 lbs.
- D. All pallets to have 4-way entry, and constructed with three (3) bottom runners.
- E. Full unit loads to be stretch/shrink wrapped or banded. Box overhang on pallet is not allowed unless approved by Conectec RF Packaging Engineering.
- F. Shipments consisting of more than one part number must be palletized by like part numbers. Only one mixed load per shipment per sku; must be clearly labeled as such.

IV Cartons / Containers

- A. All parts/ material to be packaged in consistent number of units per container across ALL shipments. Changes must be authorized in advance by Conectec RF Purchasing.
- B. Only one partial container per part number per shipment is allowed; must be clearly labeled.
- C. Manually handled containers not to exceed 60 lbs. maximum weight.
- D. When palletized, all cartons/containers to be stacked with labels and packing list facing outside.

V Bill of Lading

- A. Must reference all purchase order numbers and shows the number of cartons and the number of pallets being tendered.
- B. Bill of Lading only to be marked "Prepaid." Third party billings are not acceptable.

6.3.2 UPS/FEDEX SHIPMENTS

I Marking

Consignment address to be placed on top of all containers.

II Multiple Cartons

Cartons to be securely banded or stretch wrapped. Total weight not to exceed 70 lbs. banded together when shipped UPS or FedEx.

6.4 SUPPLIER DISCREPANCY PROCEDURE

The Supplier Discrepancy procedure serves as a means to notify Conectec RF Materials Department and Accounting, as well as suppliers, of shipments that do not meet Conectec RF Packaging Specifications. When a problem arises with a shipment to Conectec RF, a Supplier

Discrepancy Report is mailed to the supplier, and the number of discrepancy reports received by a supplier is calculated in the Supplier Performance Rating.

6.5 MATERIAL SAFETY DATA SHEET

A Material Safety Data Sheet (MSDS) is required for all items defined by the Code of Federal Regulations 29 CFR 1910.1200 "Hazard Communications Standard." A current MSDS must be on file at Conectec RF prior to releasing the affected items from the receiving area.

No product requiring an MSDS (including trial and test products) shall be ordered or received at Conectec RF until a properly executed MSDS has been received and approved. This statement is necessary to fulfill Conectec RF's obligation with OSHA's Right-to-Know Law of 1970. This policy is in response to our factory goals to prevent accidents and injuries related to production and test products.

A properly executed MSDS must contain all information specifically required by the Occupational Safety and Health Act of 1970, Title III of the Superfund Amendments and Re-Authorization Act of 1986.

In addition, Conectec RF, requires suppliers to furnish an MSDS which contains a listing of ALL chemical components, whether considered hazardous or not, identified by the following:

- True chemical name (generic names or trade names are NOT sufficient);
- Chemical Abstract Service (CAS) number where one exists;
- Percentages of the chemical component by weight of the total product. (Ranges may not be so broad as to disguise the true composition of the product. This additional reporting step is necessary because knowledge in the field of toxicology is expanding rapidly and some chemicals not recognized as toxic may be recognized as such in the future.);
- Indication whether the product contains any ozone-depleting chemicals (Found in 40 CFR 82).

In a few cases where the product contains proprietary material meeting the definition of a "trade secret," as defined by 29 CFR 1910.1200 Appendix D, an appropriate confidentiality agreement may be acceptable. Failure of a supplier to cooperate with the legally required elements of this policy shall be considered sufficient grounds for discontinuing purchases from that supplier. All Conectec RF, employees are expected to help enforce this policy.

6.6 ITEM DATA SHEET

Upon submission of PPAP, supplier will be asked to complete an Item Data Sheet, which shall be returned to Conectec RF Inventory Control. This information relates to part dimensions and pack quantities.

7.0 FINANCIAL SECTION

7.1 PAYMENT OF INVOICES

Conectec RF will pay all invoices based on section 10.1 terms and conditions when complete information is provided. The information required on invoices includes the following:

- Supplier name;
- Conectec RF purchase order number;
- Unique packing list number;
- Conectec RF part number and engineering revision level;

- Quantity;
- Unit price with price extension;
- Negotiated terms;
- Invoice number;
- F.O.B.;
- Invoice date;
- Date shipped;
- Part description;
- Sales tax, if applicable.

Any questions concerning accounts payable should be directed to the Conectec RF Accounting Department.

7.2 REQUESTS FOR PRICE ADJUSTMENTS BY SUPPLIERS

All requests for price adjustment must be submitted in writing to Conectec RF Materials Department on or before October 1 with an effective date January 1. Suppliers requesting adjustments **MUST** submit documentation, i.e. invoices, paid bills, an abstract of quotations, and any other documentation pertinent to the justification of their request.

Suppliers are encouraged to illustrate measures they have already taken in their processing and/or production methods which have either resulted in cost reductions to Conectec RF or allowed the supplier to offset price increases to Conectec RF.

7.3 INSURANCE AND LIABILITY

All suppliers that supply Conectec RF with finished products must furnish Conectec RF with a Certificate of Insurance including Limited Form Vendor Coverage with the following information added:

- Conectec RF, named as an additional insured (Broad Form Vendor's Coverage);
- 30 Day notice of cancellation;
- General Liability Limits of Liability;
- Blanket Contractual Liability;
- Re-issuance upon expiration of coverage.

7.4 CERTIFICATES OF ORIGIN AND CONTENT REPORTING

Conectec RF, exports products to various countries around the world, including Canada and Mexico. In order to meet reporting requirements for customs regulations, Certificates of Origin must be maintained by Conectec RF that satisfy the requirements for content reporting for domestically-produced vehicles.

7.4.1 NAFTA OVERVIEW

Under NAFTA, goods exported between Canada, the United States, and Mexico, either directly or indirectly, must conform to specific Rules of Origin to maintain or be eligible for preferential duty treatment.

The exporter of record (i.e. the shipper) is responsible to certify that their goods conform to the NAFTA Rules of Origin.

Significant changes to the automotive Rule of Origin contained in NAFTA motivated the Automotive Industry Action Group (A.I.A.G.) to publish a workbook and computer-based

training materials for use by automotive suppliers. This material explains the various laws and regulations governing content reporting. Additionally, the material identifies a process (with examples) to gather and report content information.

7.4.2 INSTRUCTIONS

The most significant change resulting from NAFTA is a requirement to certify product as "originating" at the part number level. In order to aid our suppliers in supplying information, Conectec RF will provide the following documents to our suppliers:

1. Blank Country of Origin Certificate: this form must be completed and returned to Conectec RF by date specified by Conectec RF Materials Department.

8.0 SUPPLIER DEVELOPMENT

Conectec RF performs supplier quality system development with the goal of supplier compliance to ISO/TS 16949. Suppliers who are targeted are selected at the discretion of the individual buyer.

8.1 SUPPLIER SELECTION

Buyers may base their decision to select a supplier for ISO/TS 16949 compliance on the following criteria:

- inclusion in "High Impact Supplier" category derived from Supplier Performance Report
- current quality certification status
- commodity importance
- annual dollars spent with the supplier

8.1 METHOD

1. Quality Assurance will review the supplier's quality manual using the ISO/TS 16949 compliant checklist.
2. Quality Assurance may request, via purchasing, the supplier to complete the Supplier Quality Questionnaire.
3. Quality Assurance, via purchasing, will request the supplier visit Conectec RF to answer questions relative to ISO/TS 16949 compliance.
4. Suppliers will only be audited by Conectec RF if necessary to verify compliance.
5. Information regarding the development of suppliers will be available in the Materials Department.

9.0 NEW SUPPLIER EVALUATION

All new suppliers of direct production material must be approved by the Conectec RF Materials Department. Potential suppliers need to direct all contact to the Purchasing Department. At the discretion of the individual buyer, potential suppliers may be allowed preliminary meetings with other Conectec RF personnel, however, all preliminary contact must be channeled through Materials Department.

9.1 REFERENCE MATERIALS

Conectec RF purchasing may ask the potential supplier to provide the following information:

- Supplier credit references
- Supplier quality system certification
- Supplier customer references
- Supplier shipping performance
- Supplier's internal audits, customer audits, operating procedures

9.2 DECISION FACTORS

The decision as to a whether or not a supplier will provide Conectec RF with direct production material will be the sole decision of purchasing. Their decision may be based on some or all of the following criteria:

- evaluation of supplier's financial standing via D&B and credit references;
- evaluation of supplier's quality based on their quality system certification. If no ISO/TS 16949 registration exists, then the Conectec RF Supplier Supplier Quality Questionnaire.
- evaluation of supplier's quality based on customer references, customer audits, internal audits, and operating procedures;
- evaluation of supplier's delivery performance based on customer references and supplier's shipping performance;
- evaluation of supplier's ability to process and ship orders to meet Conectec RF's delivery schedules (i.e. lead time, inventory levels);
- evaluation of supplier's ability to meet Conectec RF's pallet requirements;
- evaluation of the supplier's technical support in the following areas:
 - Design Engineering
 - Manufacturing Engineering
 - Prototype support
 - System tracking to meet all key dates
 - Cost improvement goals & objectives
 - Bar code capabilities
 - E.D.I. capabilities
- evaluation of supplier's capacity situation
- evaluation of payment and shipping terms
- evaluation of Return Authorization Policy
- Signoff on Non-Disclosure Agreement

Conectec RF may choose to audit the supplier to verify compliance using the Conectec RF Supplier Quality Questionnaire.

10.0 SUPPLY MANAGEMENT

In keeping pace with changing circumstances, Conectec RF, has adopted a Supply Management philosophy in dealing with our suppliers. This philosophy has greatly expanded the roles of both the supplier and Conectec RF,. Suppliers are considered an extension of Conectec RF's business. This approach focuses on developing a cohesive partnership arrangement, as well as establishing

long-term relationships with our suppliers. Conectec RF's Materials Department is seeking to become pro-active with our suppliers and develop the appropriate strategies for dealing with factors influencing supply, pricing, quality, and general profitability and productivity.

10.1 TERMS AND CONDITIONS

Terms and conditions are found on the Purchase Order. They are standard and apply to all purchase orders unless specifically stated otherwise in a Conectec RF contract or other written form. It is the responsibility of the supplier to adhere to these terms and conditions regardless of whether or not they are sent with each purchase order transmission.

10.1.1 PRICING, PAYMENT TERMS AND RELEASES

Supplier's quote shall include all of the following, except that item (A) applies only when tooling must be supplied to support the contract:

A. Tooling costs and description including:

- Production tool lead time
- Production tool useable life before rebuild

B. Production capacity per shift (State current capacity only.)

C. Lead time

D. Production piece part price

E. Production lead time

F. Payment terms

G. F.O.B. point

H. Location of Manufacture

- Price increases are not accepted during the term of the contract. Supplier's price/cost changes must be submitted 90 days prior to the end of a contract or blanket order to allow for review and concurrence.
- Labor and burden economics must be held firm 3 years per contract
- Any proposed increases in price must be substantiated with documentation indicating reason for change.
- Invoicing must agree with purchase order pricing. Purchase order variances will be charged back to the supplier. Resolution of pricing must be handled through purchasing.

10.1.2 PAYMENT TERMS

Conectec RF payment terms are net 60 days for all materials.

Any changes to terms must be negotiated separately and require approval. Additional terms will be clearly spelled out on the purchase order.

10.2 MATERIAL RELEASES AND DELIVERY SCHEDULES

The goal of Conectec RF, is to maximize customer order fill levels while reducing inventory by optimizing the total logistic package, including manufacturing lead times. As we continue to work toward a Just-In-Time delivery, schedules become paramount in the execution of the production schedule. Conectec RF will issue purchase orders, blanket orders or bin to bin blanket orders and will provide planning requirement information for the latter two. The purchase order

will contain Conectec RF part number, revision level, quantity ordered, price, and delivery date to Conectec RF.

In the event that a supplier cannot ship on time, can make only a partial shipment, or has a legitimate reason to ship ahead, it is incumbent upon the supplier to contact by phone or fax the responsible Conectec RF Buyer one week before the appointed shipment delivery dates.

Shipment dates that are missed and require expedited transportation are the responsibility of the supplier, and all associated excess transportation costs become the responsibility of the supplier.

10.3 ANNUAL INVENTORY OF CONECTEC RF-OWNED MATERIAL

Conectec RF will request that suppliers holding Conectec RF-owned material take an annual inventory at the end of each year. Suppliers will be contacted with specific cut-off dates for material deliveries and plant shutdowns. The inventory may be subject to an audit at the discretion of Conectec RF Materials Department.

10.4 PROPRIETARY INFORMATION

All specifications, documents, and prototype articles delivered by Conectec RF to a supplier are property of Conectec RF. They are delivered solely for the purpose of supplier's performance of Conectec RF requirements and on the express condition that neither they nor the information contained therein, specifications shall be disclosed to others nor used for any purpose other than in connection with this order without the express written consent of Conectec RF. Such specifications, documents, and articles are to be returned to Conectec RF, promptly upon written request. Such requests may be made any time during or after completion of supplier's performance. No news releases, advertisements, public announcements, denial or confirmation of same, of any kind regarding any part of the subject of this contract shall be made without prior written approval from Conectec RF. The obligations under this clause will survive the cancellation, termination or completion of any order or request for quotation from Conectec RF.

**Suppliers may be requested to complete a Non-Disclosure form provided by Conectec RF.

10.5 PATENT PROTECTION

The supplier, at its own expense, will defend any suit which may be brought against Conectec RF to the extent that it is based on a claim that the item(s) furnished hereunder infringes a United States patent, and in any such suit which is attributable to such claim. This is upon the condition that Conectec RF shall give the supplier prompt written notice of such claim and full right and opportunity to conduct the defense thereof, together with full information and all reasonable cooperation, and upon further condition that the claim infringement does not result from the combination of the items furnished hereunder with other items, apparatus, or devices not furnished hereunder. No cost or expense shall be incurred for the account of the supplier with written consent from Conectec RF.

If, in the supplier's opinion, the items furnished hereunder are likely to or do become the subject of a claim of infringement of a United States patent, then without diminishing the supplier's obligation to satisfy the final work, the bidder may at its own expense (1) obtain the right for Conectec RF to continue to use such item, (2) substitute for the allegedly infringing item other equally suitable items satisfactory to Conectec RF. The foregoing states the entire liability of the

supplier with respect to infringement of patents by the items furnished to Conectec RF or any party thereof.

10.6 CONECTEC RF PROPERTY

Unless otherwise specified in separate written agreement between Conectec RF and our suppliers, all tools, tooling, equipment, dies, jigs, specifications, and other material (except suppliers hereunder) of every description furnished to seller or specified or paid by Conectec RF shall be inspected by supplier (whether manufactured by the supplier or by others) for condition, compliance with specifications, descriptions and count, shall remain the sole property of Conectec RF and/or our customers, shall be plainly marked and/or otherwise clearly identified by the supplier as "Property of Conectec RF."

11.0 ETHICS & GRATUITIES

We, at Conectec RF, strive to maintain the highest ethical standards with customers, employees, suppliers, government, and everyone else with whom we come in contact.

We subscribe to and support the following code of ethics:

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
 2. Demonstrate loyalty to the employer by diligently following the lawful instructions of the employer, using reasonable care and only authority granted.
 3. Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the employee.
 4. Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, purchasing decisions.
 5. Handle confidential or proprietary information belonging to employers or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
 6. Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
 7. Refrain from reciprocal agreements that restrain competition.
 8. Know and obey the letter and spirit of the laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
 9. Encourage all segments of society to participate by demonstrating support for small, disadvantaged, and minority-owned businesses.
 10. Discourage Conectec RF Materials Department's involvement in employer-sponsored programs of personal purchases that are not business-related.
 11. Enhance the proficiency and stature of the purchasing profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behavior.
- Conectec RF prohibits suppliers to offer, promise or give anything of value or benefit to a Conectec RF employee with the intent to influence that employee's acts, opinion, judgment, or exercise of discretion with respect to that employee's duties. Evidence of violation of this statement will disqualify a supplier from any current or future relationship with Conectec RF, .

12. CONECTEC RF'S ENVIRONMENTAL PROGRAM

12.1 CONECTEC RF'S ENVIRONMENTAL POLICY

Conectec RF, a manufacturer and distributor of electro mechanical cable systems for the world's automotive and truck manufacturers and users, along with its suppliers and contractors, is committed to environmental stewardship. We assume responsibility for all activities, products and services at Conectec RF and strive to reduce potential impacts on the environment by setting objectives and targets. We use this process to show that we are committed to:

- Compliance with all applicable legal and all other subscribed requirements
- Prevention of pollution
- Continual improvement in the effectiveness of our environmental performance
- Communicating our environmental policy to our employees and making it available to the public.

12.2 REDUCTION OF HAZARDOUS SUBSTANCES (RoHS) COMPLIANCES

All manufactures of electronic and electrical equipment sold in Europe must comply with the EU's RoHS Directive 2002/95/ EC mandating the reduction of six hazardous substances. The immediate repercussions of non-compliance include serious fines, damaged brand reputations and even potential jail time. Conectec RF will ask our suppliers to provide RoHS data to meet EU standard. It is then supplier's responsibility to provide data sheet of demonstrating minimal levels of those six chemical substances of supplied component. Full context of RoHS can be found at http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_037/l_03720030213en00190023.pdf

13.0 SUPPLIER ACKNOWLEDGEMENT

Dear Supplier,

You have received your copy of Conectec RF's Supplier Quality Manual, August 2005 edition.

Please complete the bottom portion of this letter and return it to your Buyer at Conectec RF by mail or fax as acknowledgement of receipt of this manual.

Only one manual will be issued to each supplier. Updates and revisions will be forwarded as required.

Company Name: _____

Representative: _____

Date Received: _____