



June 13, 2003

Dear Supplier,

The purpose of this letter is to inform you of a change in our business system that impacts the process of returning material to you, our supplier (vendor). You know this process as (DMR). You will now be required to replace the part immediately upon receipt of the DMR against the existing purchase order.

As a condition of acceptance of the purchase order you are to supply parts that conform to the print requirements 100%. If the parts that you supply do not meet the print requirements they will be rejected. Our policy is **NOT** to inspect each and every part that is purchased, because we have confidence in our supplier base and your guarantee of part conformance to the print. If a reject is discovered it usually is found when the part is in assembly, which disrupts our manufacturing plan, costing us time and money and requires immediate response.

A DMR is negative from a supplier standpoint for the following reasons:

- 1) You are being measured on your quality and a DMR is a rejection.
- 2) The added cost of return shipping from Sun to you, remanufacture of the part and reshipping of the replacement part is born by you the supplier.
- 3) You are being measured against the original due date of the purchase order for this replacement part.

The receipt of the DMR from Sun's purchasing representative should expedite you to begin the replacement process. We will explain the problem to you and request your input concerning how you want the product returned. After you have received the returned part all contacts pertaining specifically to the purchase order should be routed through our expeditor. As a condition of acceptance of the purchase order it is your responsibility to contact Sun Automation or Sun Source 1 if any of the requirements cannot be met as required.

In closing we are sure that these changes in our business operating system and approach will be positive and beneficial to all parties involved. If you have any questions or concerns on this topic please contact me at 1-410-472-2900 Ext. 180 or via e-mail at stephen.toben@sunaautomation.com

Sincerely,

A handwritten signature in black ink that reads "Stephen W. Toben".

Stephen W. Toben
Purchasing Manager