



March 18, 2012

Sun Automation Vendors:

The contents of this e-mail / letter over-ride all prior e-mails sent to you on the topics of inspection, quality and delivery issues.

I would like to take this opportunity to remind you that a condition of accepting a Sun Automation Purchase Order is meeting the terms stated on the Purchase Order.

1. Part supplied to Sun Automation must meet print requirements: dimensional and material requirements. You are responsible for 100% inspection of each and every part you supply Sun Automation.
2. Part must arrive on or before (up to five business days early) at Sun Automation in concurrence with the date as stated on the purchase order. Sun Automation reserves the right to reject parts delivered late and cancel the Purchase order.

If there are problems encountered in the manufacturer of a part, that impact any of the conditions stated above it is the vendor's responsibility to contact the Purchasing department immediately when the problem occurs to discuss the specific issue.

Effective Monday March 19, 2012 any part that is received, inspected and rejected and is determined by the Sun Automation Quality Department to be eligible for back charges will create a back charge against your firm. Your company will be back-charged for the inspector's time at the rate of \$100.00 per hour for the required to complete the inspection and the part will be rejected. This rate includes the overhead cost associated with the part, but not the shipment return costs to you and back to Sun, that is your responsibility. If you are allowed to rework or remake the part, you will be required resubmit it with a fully detailed inspection report that will consist of all processed dimensions on the job (all print requirements) completely documented (actual dimension reading) on a copy of the print. If your company has an activity level with rejected parts that we feel is unacceptable you will no longer be a Sun Automation Vendor.

If the problem you encounter is a delivery issue, you will need to contact Sun Automation prior to the original due date and work out a solution with the buyer stated on the purchase order. It is important that you communicate with your buyer when any issues occur. Issues can be solved in a positive manner usually without excessive cost or disruption to your business or Suns if we know about it early, that's why we keep talking.

The majority of the Sun Automation vendor base is excellent and we truly appreciate the quality work you do for Sun, but as with all policy memos, everyone gets a copy. The expectations of Sun Automation are very straight forward and stated on the purchase order. If you have any questions concerning this procedural change please contact me.

Sincerely,

Stephen Toben
Purchasing Manager

Vendorinspection3-18-2012