

Key Tronic Overview

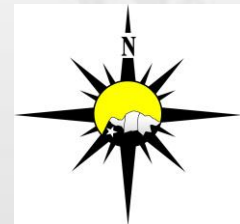
Corporate Overview

Represented by

Stephen Myers and Paso del Norte Industrial
in Mexico and the Southwest

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Keytronic Worldwide Capabilities:

- ▶ New Product Introduction
- ▶ Concept Development
- ▶ Design
- ▶ Electrical Engineering
- ▶ Electro-mechanical Engineering
- ▶ Mechanical Engineering
- ▶ Full Product Assembly
- ▶ Sub Assembly
- ▶ Printed Circuit Board Assembly
- ▶ Prototype (Rapid Response Center)
- ▶ Precision Tooling
- ▶ Injection Molding
- ▶ Blow Molding
- ▶ Precision metal stamping, fabrication and finishing
- ▶ In-house Testing
- ▶ Clean Rooms
- ▶ Global Procurement & Supply Chain Management; China International Purchasing Organizations
- ▶ Worldwide Distribution & Logistics
- ▶ Depot Repair/Reverse Logistics



Key Tronic

TRUST

Over 45 YEARS manufacturing with over a quarter century overseas operations. Our heritage as an OEM means we understand your needs.

COMMITMENT

Executive sponsor for every customer, DAILY review of each program. Cost reductions through investments in location, equipment and technology.

RESULTS

World class pricing with next door service you can trust. Long-term customer relationships.



About Key Tronic



Key Tronic at a Glance

Complete in-house capabilities from concept to launch.

Decades of experience in mid-sized programs.

\$5 million USD up to \$80 million USD

Long history of manufacturing diverse products for many different markets.

Centralized strong program manager structure

Key Tronic is Dedicated to...

Developing customer partnerships built on trust and expertise.

Focusing on increasing customer competitiveness and profitability.

Providing complete manufacturing solutions at the lowest total cost without sacrificing quality.

Key Tronic Corporate Overview

- ▶ Founded in 1969
- ▶ Headquartered in Spokane, Washington USA
- ▶ US public company (NASDAQ:KTCC)
- ▶ Unbroken string of profitable quarters since 2004
- ▶ Roughly \$750 million per year annual revenue
- ▶ Global manufacturing and distribution facilities
- ▶ Over 1.5 million sq. ft. manufacturing footprint in the USA, Mexico and China
- ▶ SiiX partnership allows access to numerous Asian, European and South American manufacturing facilities
- ▶ Contract manufacturer with engineering design capabilities
- ▶ PCBA, mechanical, electromechanical, plastics tooling, injection molding and blow molding, precision metal stamping, fabrication and finishing experts





Global manufacturing facilities:

► Spokane, WA

- Corporate Headquarters
- Full Product Assembly
- Sub Assembly
- PCBA
- Molding
- Tooling
- Depot Repair/Reverse Logistics

► Fayetteville, AR

- Full Product Assembly
- Sub Assembly
- PCBA
- Depot Repair/Reverse Logistics
- ITAR
- Rapid Response Center

► Harrodsburg, KY

- Full Product Assembly
- Sub Assembly
- PCBA
- Depot Repair/Reverse Logistics
- TS 16949 Compliant
- ITAR



Global manufacturing facilities:

► Oakdale, MN

- Full Product Assembly
- Sub Assembly
- PCBA
- Depot Repair/Reverse Logistics
- NADCAP (AS7003/AC7120)
- ITAR
- AS 9100 Aerospace

- ISO 13485:2003 Medical
- Rapid Response Center
- FDA Registered
- Apple MFi Authorized Manufacturer

► Corinth, MS

- Full Product Assembly
- Sub Assembly
- PCBA
- Depot Repair/Reverse Logistics
- AS 9100 Aerospace
- ITAR



Global manufacturing facilities:

► Juarez, Mexico

- Full Product Assembly
- Sub Assembly
- PCBA
- Molding
- Tooling
- Precision metal stamping, fabrication and finishing
- Depot Repair/Reverse Logistics

► Shanghai, China

- Full Product Assembly
- Sub Assembly
- PCBA
- Molding and Tooling (alliance)
- Depot Repair/Reverse Logistics
- International Purchasing Organization (IPO)

World-class Customers



Certifications:

- ▶ ISO 9001
- ▶ ISO 14001
- ▶ ISO 13485 (not AR, MS, KY)
- ▶ FDA Registered
- ▶ TS 16949 (not AR, MN, MS)
- ▶ AS 9100
- ▶ ANSI/ESD-S20-20-2007
- ▶ ITAR Registered
- ▶ JET (Japanese UL)
- ▶ In-house reliability/test facilities
- ▶ In-house certification facilities
 - ▶ FCC, TUV, CE, CSA, UL, CUL
- ▶ CTPAT
- ▶ BASC - Business Anti-Smuggling Coalition
- ▶ ISA – Importer Self Assessment Program

- ▶ NADCAP (AS7003/AC7120) MN only
- ▶ Apple MFi Authorized Manufacturer
- ▶ ISO 18000 (OSHA)
- ▶ NSF (WA, MX)



Sample Product Portfolio

Printer



Telecommunications



Computer and Peripherals



Industrial



Consumer



Medical



Automotive



Military



Aerospace



Transportation



These images are representations of the types of products we have manufactured.

Why Outsource with Key Tronic

- ▶ Rare combination of global pricing and global manufacturing, with “next door” responsiveness and service
- ▶ Broad range of capabilities (PCBAs, plastics, metals, full assembly)
- ▶ Quality initiatives are critical to every phase of a program
- ▶ Program manager led cross-functional teams
- ▶ Centralized US based command and control of all facilities



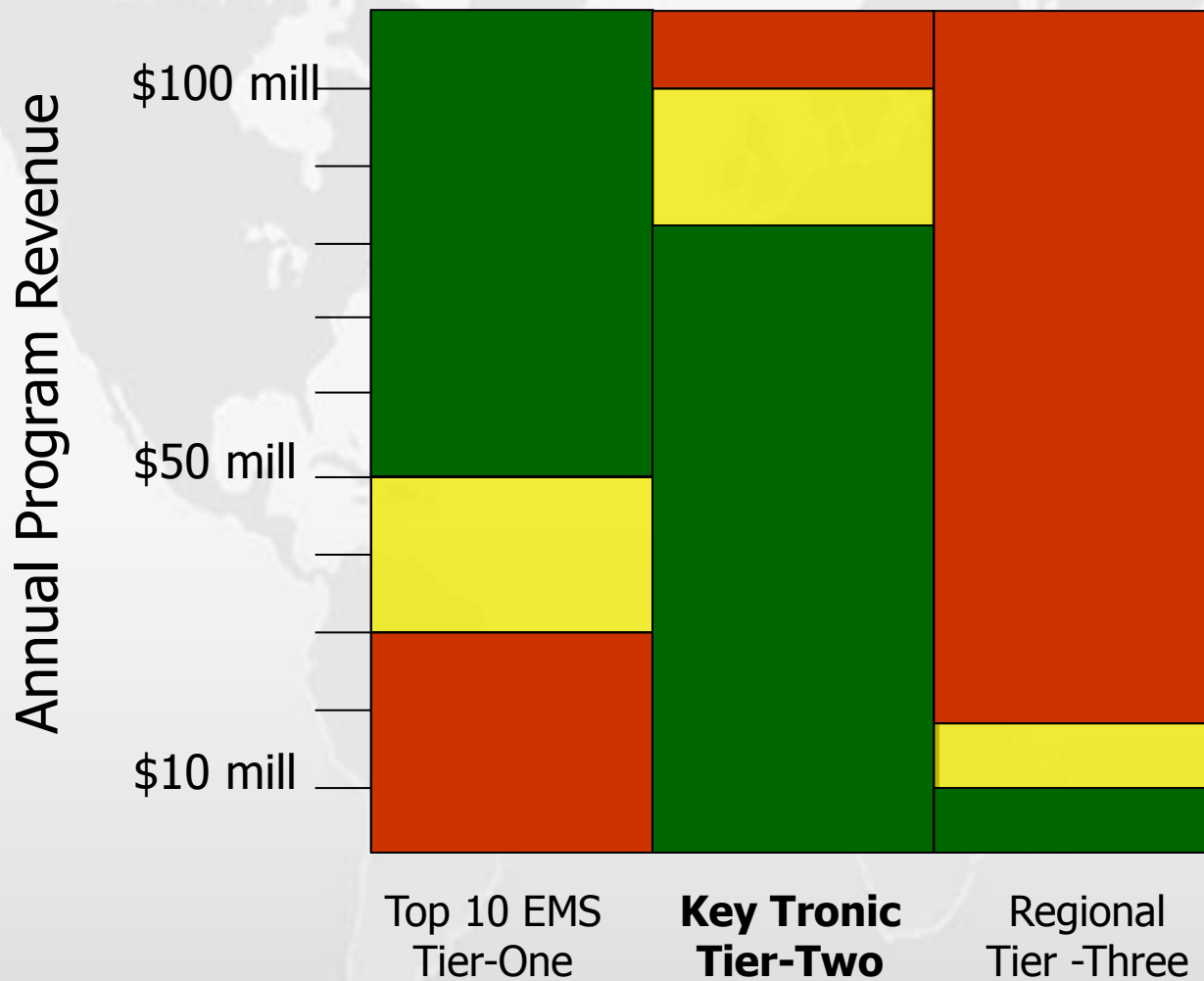
Key Tronic

Centralized US based command and control of all facilities

- ▶ Facilities work together, do not compete with one another
- ▶ Facilities cooperate to build our customer's products in multiple locations
- ▶ US standards of IP protection
- ▶ Centralized document control, MRP, procurement, master scheduling, customer service, engineering
- ▶ Our facilities are cost centers, NOT profit centers



Market Positioning



Our Sweet Spot:

- Up to \$80M programs
- World-class pricing
- Personal service
- Worldwide facilities (US, Mexico, China)
- Unique vertical integration

Program Management

- ▶ Program Managers work closely with personnel from all departments.
- ▶ Customers have access to executive level management, every program is reviewed **daily** by our executive team.
- ▶ Program Managers lead each program from product concept through end of life.
- ▶ Program Managers' compensation based upon our customer's program success, cradle to grave.



Supply Chain Overview

- ▶ Key Tronic's focus on customer communication and strong supply base relationships enables our customers to entrust us with the management of the entire supply chain, from design to delivery.
 - ▶ Centralized customer demand management
 - ▶ Centralized procurement/global supply chain
 - ▶ China IPO
 - ▶ Materials purchased to customer AML
 - ▶ High volume purchasing levels
 - ▶ Flexible supply chain solutions
 - ▶ Common ERP system in all facilities
 - ▶ MRP-based demand with JIT release techniques
 - ▶ Supplier quality
 - ▶ In-house customs
 - ▶ Silicon expert for material life cycle and cost reductions
- Represented by Paso del Norte Industrial Supply KeyTronic Confidential & Proprietary



Quality Policy

- ▶ Key Tronic is committed to continuous quality improvement processes necessary to meet customer expectations and profitability goals.
- ▶ Continuous improvement
- ▶ Meet or exceed customer expectations
- ▶ Profitability



BETTER – FASTER – LOWER COST

Quality

Quality Control

- ▶ On-line, real time data collection system
- ▶ SPC for solder paste volume monitoring
- ▶ 100% visual inspection and test
- ▶ ESD safe workstation
- ▶ Acceptance criteria: IPC-610 Statistical Process Control (SPC) for improvement
- ▶ Process definition book "Bibles"
- ▶ Pack out system



Testing

- ▶ Vibration testing
- ▶ Transportation vibration testing
- ▶ Mechanical shock testing
- ▶ Drop testing
- ▶ Mechanical life testing
- ▶ Force, displacement and torque testing
- ▶ Environmental testing
- ▶ Legend durability testing
- ▶ Custom fixtures and fixture modification
- ▶ Measurements and visual inspections



Distribution and Logistics

- ▶ In-house logistics expertise
- ▶ In-house licensed customs broker
- ▶ C-TPAT certified
- ▶ Member of US Customs ISA program
- ▶ NAFTA compliant programs
- ▶ Flexible logistic solutions
- ▶ Global reach through our strategic logistic partnerships
- ▶ One-stop service solutions
- ▶ Vendor Managed Inventories
- ▶ Direct Ships
- ▶ Drop Ships
- ▶ Replenishment
- ▶ Tailored to meet customer needs, adaptation to processes and capabilities



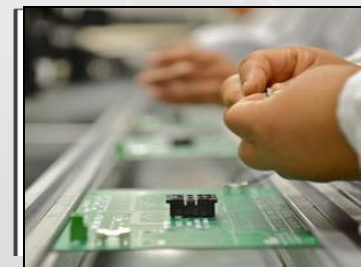
Depot Repair/Reverse Logistics

We can provide these types of services on complex products requiring in-depth troubleshooting and skilled repair.

- ▶ Functional testing
- ▶ In-circuit testing
- ▶ X-Ray Inspection
- ▶ Functional debug
- ▶ PCB component level repair
- ▶ BGA reworking and component-level repairs
- ▶ ECO upgrading
- ▶ Cosmetic repairs

Repair Programs

- ▶ Bulk RMA returns
- ▶ Advance product exchange
- ▶ Single product repair and return
- ▶ Units returned in "like new" condition
- ▶ Customized reporting and tracking



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