

Amphenol Amphenol ConneXus OÜ	Quality instruction Suppliers Quality Policy (automotive)	Code: QPI 10.3-1-3 -3I
		Date.: 11.03.2020
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Vers.	Date	Change	Compiler
1	14.08.19	Totally reviewed, Code changed.	Sv. Tatarlõ
2	09.01.2020	Code V_QP 10.3-1_4 abolished.	Sv.Tatarlõ
3	11.03.2020	Requirement to <i>Supplier to have the ultimate objective of becoming certified to IATF 16949 is added</i>	M. Jefremova

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GOAL OF THIS PROCEDURE AND AREA OF ITS APPLICATION

Scope

This policy conveys our expectations of supplier's role in our business, our willingness to ensure a mutually successful relationship and continued growth in the market.

Purpose

This Supplier Quality Policy (automotive) is to communicate various Amphenol Connexus (ACS) requirements and expectations to suppliers for the purpose of qualifying, measuring performance and implementing continual improvement efforts between ACS and our suppliers to support our goal to be best in our business.

Definitions:

ACS – Amphenol Connexus

PPM -Parts Per million - is a measurement used by many customers to measure quality performance - defect rate, calculated as follows:

Defective products qty/ delivered qty* 1000000

1.0 Commitment

We are committed to achieving complete customer satisfaction with the products and services we supply to our customers.

We design and manufacture quality cable assemblies, which satisfy customer expectations; comply with applicable regulatory codes, standards and specifications; and are offered for sale at equitable prices with minimal lead times.

Suppliers play an integral role in Amphenol's ability to meet the requirements of its customers. We strive to do business with suppliers who are committed to Continuous Improvement. Dependable suppliers are considered key members of our team. We are committed to working with suppliers to ensure our requirements are well defined, clearly understood, and met without error, on time, every time.

Please review this policy carefully and contact your ACS PO contact or quality@amphenol.ee if you have any questions or need additional clarification regarding this program. Supplier's requirements of Amphenol should be clearly stated and successfully resolved before issuance of purchase order. Acceptance of a purchase order indicates that the supplier is fully prepared to meet Amphenol's Delivery and Quality Conformance requirements.

2.0 Zero Defect objective

For all suppliers of products the quality objective is "Zero Defect". This means that all structures and processes within the quality management of the supplier shall be aligned in a way that deviations from targets are prevented (zero-defect strategy, 0 PPM).

3.0 Special characteristics, documentation storage

Special characteristics require special attention, because deviations in these characteristics can seriously affect product safety, product lifetime, assembly capability, product functionality, and/or quality of the following manufacturing operations as well as legal regulations.

Special characteristics are characteristics, which have a significant impact on the vehicle safety or compliance with legislation.

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Special Characteristics

CC - critical characteristic – may affect product safety, as well as legal regulations

SC - significant characteristic may affect product lifetime, assembly capability, product functionality, and/or quality of the following manufacturing operations

Please see requirements for control methods for special characteristics.

Class of special characteristic	Identification Amphenol	Ppk	Control methods
Critical	CC	≥ 1.67	<ol style="list-style-type: none"> 1. SPC control 2. POKA YOKE 3. 100% control
Significant	SC	≥ 1.67	<ol style="list-style-type: none"> 1. SPC control 2. POKA YOKE 3. 100% control

The supplier must identify and mark critical characteristics in all relevant product and process documents, such as FMEA, risk analyses, work instructions, inspection and control plans. These characteristics require particular consideration and monitoring in all relevant planning steps.

For verification management of critical characteristics, the extent and retention period of the necessary documents is it at least 15 years, all another documentation store 3 years. If the characteristics not marked on the product documentation – they will be escalated during RFQ process.

Critical and significant characteristics can be defined by ACS (will be provided) or/and Supplier, based on experience.

4.0 Business language

Business language is English, unless another mutual agreement has been made.

5.0 Selection of subcontractors

The supplier commits to ensure its subcontractors' compliance with this directive on quality and environmental management.

6.0 Initial Supplier Approval

Supplier shall comply with the Amphenol Requirements listed below:

- Supplier Confirmation of compliance with “Social Responsibility self - audit form” requirements
- Supplier Confirmation of compliance of this document requirements
- Supplier is ready and agree to provide Conflict Mineral Report - CMRT , downloaded from <http://www.conflictreesourcing.org>, to Quality Department of Amphenol Connexus
- Supplier Confirmation of compliance with “Connexus guidance on restricted materials” requirements
- Company is ready and able to provide material declarations through IMDS (<https://www.mdsystem.com/imdsnt/startpage/index.jsp>)
- The supplier has received ISO 9001 certification (or equivalent) and a copy of the certificate provided. ACS accept certificate ISO 9001 issued by certification body bearing the accreditation mark of a recognized IAF MLA (International Accreditation Forum Multilateral Recognition Arrangement) member.

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If Supplier is not IATF16949 Certified, then Supplier has to have the ultimate objective of becoming certified to IATF 16949

7.0 Supplier auditing

ACS is authorized to look into and evaluate the quality capability and performance of its suppliers and subcontractors on-site. This assessment is usually done in the form of process and product audits, in exceptional cases even in the form of a system audit.

The supplier shall grant both ACS and the customer of ACS the right to check on-site if the supplied products, processes and/or services meet the agreed requirements.

During these audits ACS is authorized to look into related documents and records of the supplier.

The supplier commits to implement corrective actions defined within the agreed deadlines.

8.0 Suppliers name change

Suppliers that change their name must notify the change to ACS by an official letter or email.

Record of the changes shall be documented using V_QP 10.3-1_2 "New Supplier form (automotive)" and any supporting documentation such as e-mail communications are maintained in the supplier's file where necessary.

9.0 Supplier's Control and Use of Specifications

ACS specifications are the property of ACS and should be treated as such. Non-Disclosure Agreement will be sent to Supplier if necessary.

10.0 Supplier Lead Times

If a supplier become aware that the Lead Time will not be met as agreed, warning report must be send to ACS PO contact as soon as possible.

11.0 Approval of products and processes

Supplier shall be able to perform AIAG requirements (PPAP, APQP, FMEA, MSA, and SPC).

The supplier has to inform the end sourcing of ACS of the following situations:

- Planned product changes
- Specification/drawing changes (e.g. revision)
- Planned changes to tools, technologies and materials
- Planned changes to the packaging or logistics processes
- Other changes that may affect product quality

The information shall be submitted timely and in the agreed format to allow the assessment of the impact and to take necessary steps prior to implementation.

When the supplier recognizes that the sampling deadline cannot be met, the responsible purchaser and PO contact of ACS has to be informed immediately in order to agree the necessary measures.

12.0 First Article Inspection - for first time suppliers of any subcontracted component or when supplier notifies of a change to ensure that the supplier can meet specified requirements, ACS requires that the supplier perform a first article inspection as defined on *sheet* "First Article Inspection Report" as part of V_QP 10.3-1_2 "New Supplier Form (automotive)". Sub-Suppliers test reports/materials certificates shall be included. In cases where the design is provided by ACS (as opposed to an "off the shelf" or catalogue item) the supplier must submit a first article inspection report to Quality prior to or with the first shipment.

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13.0 Certificate of Conformance – Supplier must provide Certificate of Conformance with every delivery for components.

14.0 Standards, which shall be used for acceptance:

- IPC/WHMA-A-620, class 3 – for cable assemblies
- IPC-A-610, class 2 for electronic assemblies
- Standards, mentioned on the drawing

15.0 Measurement Confidentiality

All measurements and measurement summaries will be held in strictest confidence between the supplier and ACS.

16.0 Traceability of the products

All deliveries from supplier must be product-specifically and unequivocally traceable by order number, article number, serial number, manufacturer, date of manufacture, batch number, version number, etc.

Supplier shall ensure documented information is retained in the format (electronic, hardcopy, archive) that enables traceability till raw material.

17.0 Self-announcement by the supplier

If the supplier notices that delivered products do not meet the agreed quality requirements or sub-components are reused in the manufacturing process, the supplier shall report this immediately to the responsible ACS PO contact in the concession or deviation permit. The supplier shall maintain a record of the expiration date or quantity authorized under concession. Material shipped under concession/waiver shall be properly identified on each shipping container (this applies equally to purchased product). As long as it does not disrupt the production process, the returned parts are not considered in the PPM-calculation.

Both parties hereto agree to inform each other without delay, in the manner of an early warning system, of any potential sources of defects or faults that are discovered, the removal of which could lead to greater reliability with regard to quality.

18.0 Quality complaint report and escalation procedures

The supplier is responsible for the quality of delivered parts to ACS. Supplier has to inform the PO contact at ACS immediately in case any directed part has been found non-conforming. All parts identified as non-conforming or as suspect state will be rejected.

ACS informs the supplier immediately in writing of defects once they are discovered in the course of normal business operations. The supplier shall be liable to ACS for all resulting damages from the failure to comply with the given regulations and other arrangements for quality management. The supplier shall take immediate action to ensure production processes and problem-solving. ACS may require the following immediate actions:

- Additional 100% checks of agreed features by the supplier at the supplier's premises and outside of the standard process.
- Sending of evidence (e.g. inspection records, analytical reports) on compliance with the required specifications.
- 100% verification of inventory in stock and at the assembly line of ACS and if necessary also at the customer of ACS by the supplier.
- Rework or replacement of the stock at ACS.

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- 8D-process including 8D-reports on implementation and documentation of problem solving measures.
- Identification of failure free parts and packaging shall be labelled with appropriate label „100% checked after complaint NCN...“ for at least 3 consecutive deliveries.

If the supplier does not respond appropriately to the claim, ACS initiates necessary measures at the expense of the supplier in order to establish customer protection and to maintain production. If the supplier is not able to carry out the necessary measures such as testing, sorting and reworking himself, he has to contract a service provider at his own expense and in agreement with ACS. Acceptance by ACS is required.

The supplier has to decide immediately on the disposition of the NOK-parts and inform ACS correspondingly. Otherwise, the parts will be returned at the expense of the supplier to their place of origin.

Furthermore, the following points should be considered in problem handling:

If it comes to the 8D-problem solving process, the supplier shall

1. Inform ACS within 24 hours after notification of the problem via 8D-report as follows
 - Immediate action to ensure customer protection towards ACS and its customers
 - Responsible contact person and team responsible for the problem solution
 - Comprehensive problem description
 - Urgent measures to ensure zero-defect deliveries.
2. Submit the 8D-report with following additional information within 7 days
 - Root cause of the problem
 - Implemented corrective actions
 - Timing for long-term actions
3. Submit full 8D-report no later than 14 days with the following additions
 - Implemented preventive actions
 - Evidence of the effectiveness of the corrective actions taken
 - In individual cases, other deadlines can be agreed with Supplier Quality Engineer at ACS

19.0 Supplier charge backs for quality related expenses

ACS provides a declaration of materials, components and/or assemblies for the charges which may include the hours of rework, investigation, reporting, transport and accounting.

Invoiced cost will be traceable in the Nonconforming Material Notification (NCN). Administration fee can be escalated in case of regular quality problems. “Reworking/sorting cost“ must be agreed within 24 hours after notification of the problem.

Administration fee	150 € / NCN
Reworking/sorting cost	50 € / hour

20.0 Supplier evaluation

ACS evaluates the capability of a supplier during serial production. The supplier will be informed of the result. If deviations are detected ACS requires corrective actions.

The aspects that are evaluated:

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- ✓ Defect rate (PPM)
- ✓ Delivery accuracy
- ✓ Reaction time to claims response
- ✓ Documentation from chapter 5.0 of this document was approved at Supplier side timely
- ✓ Pre-Qualification self – audit form

21.0 Improvement of supplier capability

ACS prefers to work with excellently performing suppliers. This applies both to suppliers with whom ACS already does regular business with and to new suppliers. If the assessment result is not satisfactory, the supplier has to define and implement corrective actions. Where appropriate, the necessary measures shall be agreed with ACS. If ACS provides agreed services to support the supplier, the supplier bears the related costs.

22.0 Supplier Disqualification Process

The process will be initiated only after discussions concerning a supplier's problems have failed to produce satisfactory results. The supplier is considered a part of our team and disqualification is a last resort when all other alternatives have failed.

23.0 Reasons for Disqualification

Lacking commitment to ACS performance standards, i.e.; repeated failure to respond to, or show progress towards resolving on- time-delivery or quality conformance problems.