

Amphenol Amphenol ConneXus OÜ	PROCEDURE Suppliers Quality Policy	Code: QPI 10.3-1-1 -2I
		Date.: 28.02.2019
Prepared: Maria Jefremova	Approved: T. Tuppurainen	Page/Pages: 1/6

Vers.	Date	Change	Compiler
1	25.09.18	Totally reviewed, Code changed.	M. Jefremova
2	28.02.19	Initial Supplier Approval part (6.0) added	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 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.

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 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 and critical 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.

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

4.0 Business language

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

5.0 Selection of subcontractors

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

6.0 Initial Supplier Approval

Initial documents shall be submitted as the basis for evaluating suppliers' capability to meet ACS quality requirements.

- Non Disclosure Agreement
- Social Responsibility Audit
- General Terms of Purchase Amphenol ConneXus
- Prequalification Audit
- Supplier is ready and agree to provide Conflict Mineral Report - CMRT , downloaded from <http://www.conflictreesourcing.org>, to Quality Department of Amphenol Connexus
- Company is ready and able to provide material declarations through IMDS (<https://www.mdsystem.com/imsdnt/startpage/index.jsp>) *for automotive projects only
- Connexus guidance on restricted materials
- The supplier has received ISO 9001 certification (or equivalent) and a copy of the certificate provided

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_QPI 9.1-1-1_1 "New Supplier form" 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.

In case of any change in supplier's specification (e.g. revision) contact PO contact person for acceptance.

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
- Planned changes to tools, technologies and materials

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- 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 form V_QPI 10.3-1-1_1 “First Article Inspection Report”. 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.

13.0 Measurement Confidentiality

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

14.0 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.

15.0 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.

16.0 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:

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- 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.
- 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 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.
- For a sustainable solution of the problem, the supplier shall submit the 8D-report with following additional information within 7 days:
 - Root cause of the problem
 - Timing for long-term actions

The full 8D-report shall be available 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

17.0 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	150 € / NCN
Reworking/sorting cost	50 € / hour

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18.0 Material traceability and reporting

Supplier able and ready to provide described in “Guidance on restricted materials in products” reports by request. Material declarations for automotive projects shall be provided through IMDS (<https://www.mdssystem.com/imsnt/startpage/index.jsp>). ACS ID will be escalated during RFQ phase.

19.0 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.

20.0 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.

21.0 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.

22.0 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.

Accompanying documentation

QPI 10.3-1-2 Connexus guidance on restricted materials in products

V_PC 10_4 General Terms of Purchase Amphenol ConneXus