

# Piher Sensors & Controls Supplier Manual

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## 1.0 OVERVIEW

The purpose of this Manual is to communicate an overview of the requisites & expectations that Piher Sensors & Controls has from its suppliers. It defines the minimum requirements to be met for supply of material or services to all legal entities of AICC regarding Performance, Claims, and Compliance to mandatory requirements such as Code of Business Conduct, Business Continuity plans and Environmental regulations.

PIHER SENSORS & CONTROLS requires its suppliers to

- Acknowledge Quality Objective as **ZERO DEFECT** and Delivery objective as **100% ON TIME**.
- Manage facilities, processes, quality systems and personnel to consistently and cost effectively produce products and supply services that meet the need of PIHER SENSORS & CONTROLS and its customers.
- Utilize appropriate statistical techniques for on-going process control and improvement.
- Be committed to continuous process improvement by emphasizing reduction of part to part variation and elimination of waste.
- Conduct operations in conformance with the applicable environmental laws and regulations of the jurisdictions in which the supplier does business.
- To be compliant with conflict mineral requirements of section 1502 of the Dodd Frank Act
- Meet the requirements of PIHER SENSORS & CONTROLS plants regarding use, control and supply of returnable packaging.
- To understand and ensure compliance with the requirements listed in this manual
- To ensure that, work performed by a Supplier's sub-tier/sub-contract Suppliers shall also meet PIHER SENSORS & CONTROLS requirements by enabling this information to be transmitted to them with fullest understanding.

Although this document defines the minimum requirements to be met by a supplier, additional requirements will also become applicable as specified in the Supplier Agreement, Contract and on the Purchase Order. If supplier has other specific or commercial agreements with any of the PIHER SENSORS & CONTROLS entities, those agreements will supersede the related clauses in this document

PIHER SENSORS & CONTROLS reserves the right to make changes to this Document and specifications referenced herein. A soft copy of current revision of this document will be distributed to the supplier. The supplier is responsible for ensuring that they are using the relevant version of this document

## 2.0 PIHER SENSORS & CONTROLS

Piher Sensors & Controls is part of the large corporate Amphenol having more than 60000 employees in 150 + business units worldwide. Amphenol is one of the world's largest interconnect and cable manufacturers. Technology leadership has long been a corporate focus and Amphenol has been creating industry standards since its founding in 1932. The company designs, manufactures, and markets electrical, electronic and fiber-optic connectors, interconnect systems, and coaxial and specialty cable.

Please visit our website <https://www.piher.net/sensors/>

### 3.0 SUPPLIER CLASSIFICATION & REQUIREMENTS

PIHER SENSORS & CONTROLS recognizes that the requirements imposed on a supplier may vary based on the category of goods/services sourced. This comprehensive set of requirements is broken in to three different supplier types, which drive the expectations for supply base:

1) Direct Material (Productive Material Suppliers)

- Suppliers who provide materials that are an integral part of the finished product. These suppliers must adhere to this entire set of requirements and are not exempt from any defined requirement. This includes suppliers of Precious Metals, Metal Strips, Resins, Wires & Cables, Components (Metallic parts, Plastic parts & Electronic parts, wafers), Outsourced manufacturing (External assembly, Molding, Stamping, and Plating), Packaging, Connectors (PLBL) & other direct materials.
- Material (or component) distributors that do not manufacture but supply materials that are an integral part of the finished product are also classified as Direct Material Suppliers. Such distributors are also required to drive their manufacturing source(s) to the requirements specified in this document and report to PIHER SENSORS & CONTROLS if any deviation is observed.

2) Indirect Material (Nonproductive Material Supplier)

- Indirect Material Suppliers are those that provide goods or service which do not become an integral part of the finished product, such as Energy, MRO, Tooling & Equipment and other indirect expenses. These Indirect Material Suppliers are exempt from certain Supplier requirements that will be applicable only for direct material suppliers.

3) Indirect Service Providers

Service providers refer to suppliers providing services including any outsourced activities to PIHER SENSORS & CONTROLS such as Freight, Warehousing, and General Expenses etc. The Indirect Service Providers are exempted from certain requirements specified in this manual, which will be applicable only for direct material suppliers

However outsourced partners, who provide services which impact the finished product (e.g., product rework, component programming, laboratories, warehousing, repackaging etc.) are not exempted from these requirements unless they are one-off buys or have written agreements for exemption with PIHER SENSORS & CONTROLS site requesting for the specific service. Likewise, service providers who have influence on PIHER SENSORS & CONTROLS 's employees' welfare and safety such as listed below are exempted from these requirements except for Social and Environmental responsibilities & Supplier Evaluation.

- a) Labor dispatching contractor: labor agencies who provide direct labor to PIHER SENSORS & CONTROLS facility either on contract or on permanent basis.
- b) Commute transportation providers: vendors who provide regular transportation services for PIHER SENSORS & CONTROLS employees, to and from the workplace.
- c) Catering service providers: vendors who provide regular meals to PIHER SENSORS & CONTROLS employees within the facility, e.g. canteen services.
- d) Dormitory contractors: vendors who provide facilities for the staff to stay as part of the employment.
- e) Maintenance providers: vendors who provide regular maintenance services like building or equipment maintenance services.
- f) Security service providers: vendors who provides security to PIHER SENSORS & CONTROLS premises.

Appendix A of this manual provides a listing of some examples of the additional requirements to be fulfilled by suppliers based on the requirements of customers or market segment. This will be communicated through documents including but not limited to this manual, purchase orders, written procedures, terms and conditions or quality agreements / contracts. Suppliers must make all reasonable efforts to comply with all the specified PIHER SENSORS & CONTROLS requirements.

However, all suppliers are required to be in full compliance with product, legal and regulatory requirements that apply to the countries that they are doing business with no exceptions.

Any questions regarding these requirements may be directed to your PIHER SENSORS & CONTROLS contacts.

## 4.0 GLOSSARY

**AVL** - Approved Vendor List

**NDA**– Non-Disclosure Agreement

**Certificate of Compliance/Conformance** - It includes, as a minimum, PIHER SENSORS & CONTROLS purchase order number, part number(s), revision levels, quantities, descriptions and serial numbers and /or date code of the materials supplied (as applicable) and include a statement that the shipment conforms to all specifications and requirements stated in the purchase order. Certificates and Reports must be verified and signed by an authorized representative of the supplier. Specific guidance will be given by PIHER SENSORS & CONTROLS user plant.

**Inspection Report** - Detailed report on inspection incorporating the results of measurements of the listed dimensions and aspects as per drawing or relevant specifications.

**Productive Material** - Materials directly used for Production/Product

**PO** - Purchase Order

**PPAP** - Production Part Approval Process

**PSW** – Part Submission Warrant

**RFQ** - Request for Quote

**RFI** - Request for Information

**SD** - Supplier Development

**SSER** - Supplier Social and Environmental Responsibility

## 5.0 PIHER SENSORS & CONTROLS SUPPLIER POLICY

“PIHER SENSORS & CONTROLS firmly believes that suppliers are integral part of our business and the success of the supply base is key to pursue the objectives and remain successful in the operation. It is our goal to identify the most capable suppliers globally and at entity level and build strong mutually beneficial relationships.”

PIHER SENSORS & CONTROLS wants suppliers to recognize the expectations and objectives of PIHER SENSORS & CONTROLS and work with us to achieve our goals. The key elements of our strategy to develop strong supplier relationships include:

- Active supplier contribution to improve the competitiveness of PIHER SENSORS & CONTROLS .
- Initiatives to continuously improve supplier performance.
- Regular performance feedback to our suppliers.
- Suppliers' willingness to conduct business in an environmentally responsible manner.
- Mutual respect of intellectual property.

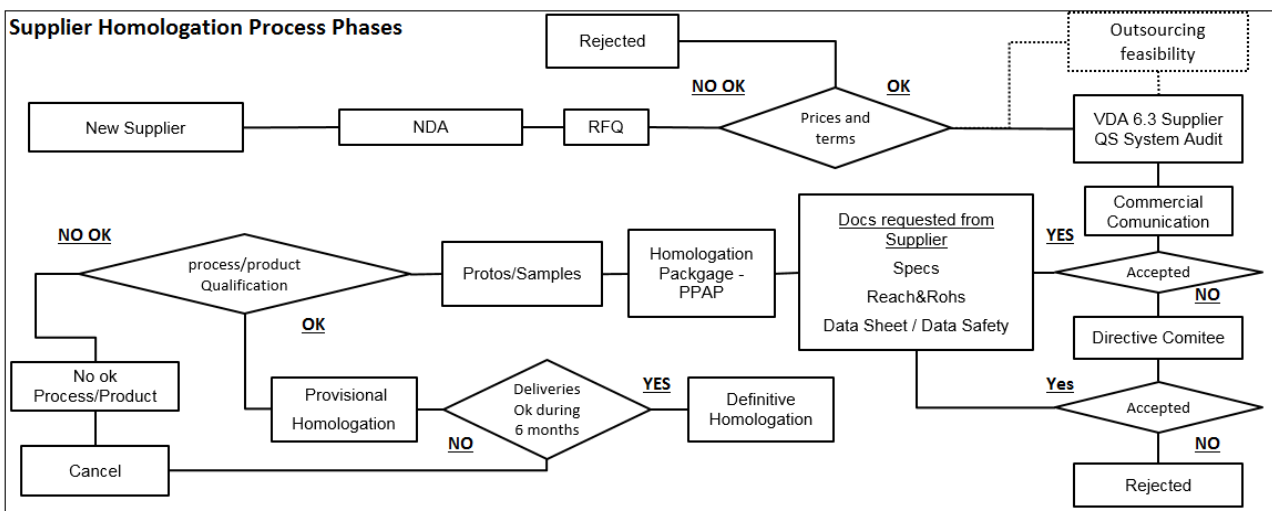
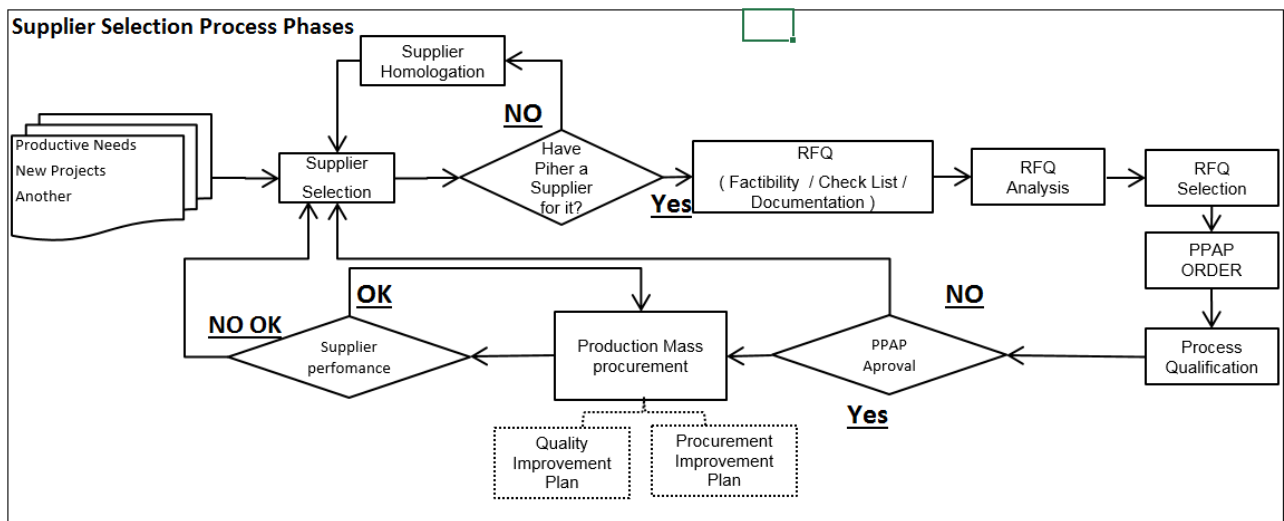
It is our policy to establish high Quality, Service, Technology, Competitive cost performance and acknowledge the superior achievement from our suppliers. We shall treat suppliers with respect and dignity. Our goal is to earn the trust of all of our suppliers through our actions and integrity fulfilling our commitments.”

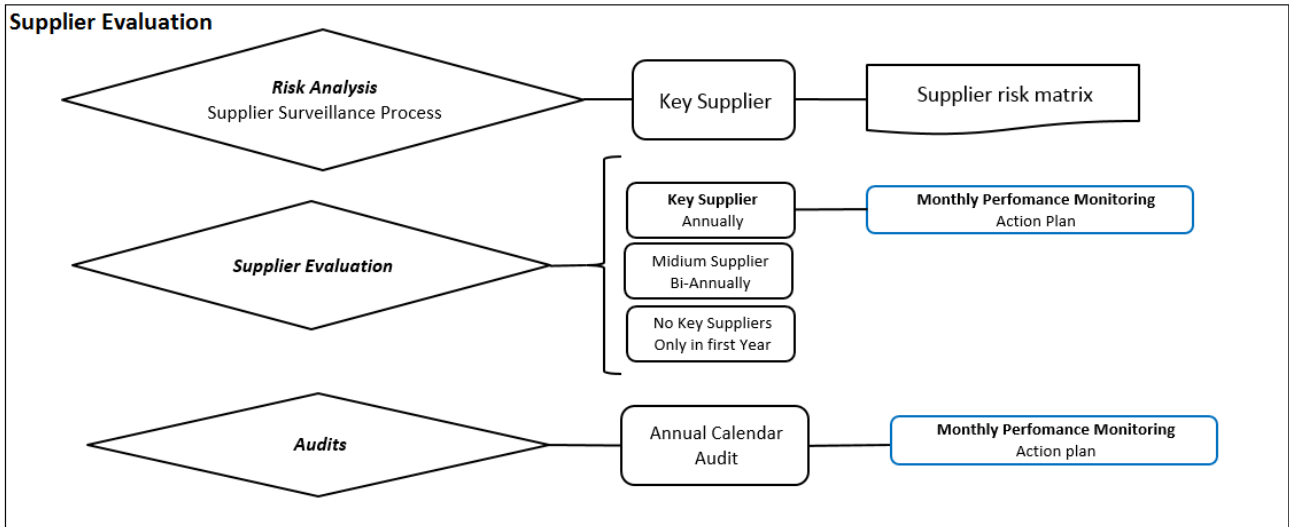
## 6.0 GENERAL REQUIREMENTS

### 6.1. Amphenol Corporation Code of Business Conduct

The Amphenol Corporation Code of Business Conduct outlines our expectations regarding workplace standards and business practices. We require our suppliers to adhere to this Code and make their employees aware of our Code of Conduct.

### 6.2. Supplier Selection, Homologation and Evaluation Process





Corrective actions for items identified during this evaluation process are expected to be completed and submitted to PIHER SENSORS & CONTROLS in an agreed time frame. The timeliness and quality of provided responses are also considered in the evaluation process. Selected Suppliers are continuously evaluated for **6 months** prior to providing AVL status

### 6.2.1. Prerequisites before start of Business

Before start of Business supplier should

- Sign **NDA** ( Non-Disclosure Agreement )(mandatory requirement only for suppliers with whom proprietary and confidential information is shared)
- Sign Amphenol Code of Business Conduct and Ethics
- Sign PIHER SENSORS & CONTROLS Supplier Manual
- Provide necessary documents to support Environmental Compliance as defined by the guidelines followed either in each business entity or in the PPAP process ( Piher will sent a Checklist with the requirements for each PPAP).Its may include,
  - Certificate of compliance letter for RoHS and REACH/SVHC
  - IMDS
  - Material declaration
  - Banned Restricted reportable substances for Packaging & other commodities
  - Material safety data sheet (MSDS) for all the raw materials used.
  - Third party analytical laboratory test report (every year) for
    - Six RoHS substances (lead, mercury, cadmium, chromium 6+, PBB, PBDE) listed in EU and China RoHS (as per IEC 62321 Edition 1.0:2013 standard)
    - 7 phthalates (DEHP, DBP, BBP, DIBP, DINP, DNOP, DIDP) (for plastic compounds)
    - Bromine and Chlorine compounds (for plastic compounds)
    - HBCDD (optional)
    - perfluoro octane sulfonate (PFOS)/perfluorooctanoic acid (PFOA) compounds (optional)



## 6.3. Contracts

### 6.3.1. Non-Disclosure/Confidentiality Agreements NDA

In the event Suppliers intend to disclose or receive confidential information in anticipation and/or pursuant to providing products or services to PIHER SENSORS & CONTROLS, Suppliers will enter into a Non-Disclosure Agreement with PIHER SENSORS & CONTROLS prior to disclosing or receiving confidential information.

## 6.4. Supplier Contact Information

PIHER SENSORS & CONTROLS expects suppliers to provide support to facilitate rapid response on delivery, quality or unresolved issues. A primary and backup contact(s), as well as escalation contact(s), should be identified to provide this level of support and their contact information provided. Any changes to the contact information should be communicated at the time of change.

## 6.5. Supplier Quality

### 6.5.1. Quality Management System

Suppliers are required to have a fully documented and implemented quality system that is focused on defect prevention rather than defect detection.

To fulfill PIHER SENSORS & CONTROLS 's supplier quality policy, it requires purchase of product/services from suppliers who hold at least one of the following quality system accreditation:

- ISO 9001 :2015
- IATF16949 :2016
- Or an equivalent nationally recognized standard

The acceptable deviations to the above are:

- Suppliers specifically appointed and approved by PIHER SENSORS & CONTROLS 's customers and supported with a copy of the latest approval report
- New Suppliers presenting a formal detailed plan to get the accreditation.

Suppliers of automotive products and services must to develop, implement, and improve a quality management system (QMS) with the ultimate objective of becoming certified to the Automotive QMS Standard IATF 16949.

See APPENDIX A- SECTOR SPECIFIC REQUIREMENTS

### 6.5.2. Third Party Registration requirements

Some market segments (see Appendix A for a listing of the market sectors) that PIHER SENSORS & CONTROLS serves or other business needs may require our suppliers to already have or obtain third party registration to one or more additional standards (IATF16949, ISO 13485, ISO14001, etc...) Suppliers will be informed of any additional registration requirements that apply and the necessary evidence that needs to be provided to prove compliance, through this manual or other documentation.

### 6.5.3. Acceptance Sampling Plans

The acceptance level for all sampling plans shall be **ZERO DEFECTS**.

## 6.6. Supplier Environmental, Health & Safety Expectations

PIHER SENSORS & CONTROLS is committed to sound Environmental, Health and Safety (EH&S) operating practices including:

- Decreased use of hazardous substances
- Reduced waste and emissions
- Improved energy and water conservation
- Greater reuse and recycling of materials
- Safe and healthy work environment that prevent accidents and injuries
- Continuous improvement in EH&S performance

PIHER SENSORS & CONTROLS suppliers are therefore encouraged to actively implement globally recognized Environmental, Health and Safety management systems. A robust EH&S program reduces operational impact on human health and the environment in a sustainable manner. Recommended programs include, but are not limited to:

- ISO 14001
- OHSAS 18001

The supplier shall comply with all applicable EH&S regulation

## 6.7. Component Traceability – Labeling / Packaging

- Suppliers are required to have in place an effective material control system that includes production lot identification (the lot code number for each product run linked to date of manufacture) and traceability for all parts and materials utilized in the manufacturing process.
- Records must be maintained and readily available for every production lot or date code enabling traceability.
- Products shall be shipped in accordance with the packaging/labeling and handling specifications agreed upon by both parties. If there is no special agreement between PIHER SENSORS & CONTROLS and the Supplier, standard packaging procedures of the supplier shall be applied.  
Material supplied must have the PIHER SENSORS & CONTROLS part number , order, etc , and the quantity indicated on the packaging.
- Identifications shall permit traceability back to supplier manufacturing and inspection records
- Supplier shall ensure that the products are transported in a manner that prevents damage or deterioration. Suppliers are responsible for maintaining written instructions detailing packaging, storage and shipping of its products.

The supplier shall work with PIHER SENSORS & CONTROLS to reduce the impact of waste on packaging through:

- Reduction or elimination of unnecessary over packaging
- Implementation of returnable packaging

## 6.8. Handling and Storage Requirements

The supplier is responsible for the proper handling and storage of all raw material and components consigned to PIHER SENSORS & CONTROLS. If any special handling, packaging, and storage requirements are there it will be either documented in the purchase order or released as separate instruction

### 6.8.1. Conditions to maintain product shelf Life

The general storage condition of direct material requires storage in controlled condition to ensure right product performance. Storage is expected to be in fully enclosed built up facility. Goods are not to be stored where their property can be deteriorated by harmful gases, significant variation in temperature or humidity or exposure to outdoor weather conditions such as wind, rain or snow

Suppliers like outsourced manufacturers who procure PIHER SENSORS & CONTROLS parts shall ensure that during storage the product or component is retained as received shipping cartons or boxes (Shipping boxes have not been opened) Shelf life on solderability of product is determined by PIHER SENSORS & CONTROLS sites in accordance to the date printed on the primary label of the product packaging. If storage exceeds the stated period defined by PIHER SENSORS & CONTROLS user sites, suppliers are required to follow the disposition, evaluation & reapprove conditions defined.

Assembly outsourced manufacturers are required to make sure the batch code aging and permissible date code mix within a batch is followed as directed by the responsible PIHER SENSORS & CONTROLS Business entity.

## 6.9. Product /Process Development Methodology

It is the intention of PIHER SENSORS & CONTROLS to involve suppliers in the early stages of development plan of a new product to facilitate design and development that optimizes the consistency of the product and process.

It is expected that all key suppliers in a new program actively participate in the cost reduction initiatives, to meet cost targets on new project.

The objective of the development methodology is to provide the right products at the right time through:

- The development of the project through a cross-functional development team.
- A structured development process (SDP) organized in phases that emphasize parallel activities
- Business focused meetings between management and development teams at the close of each phase.
- Project portfolio management by a committee constituted of cross functional members.

### 6.9.1. First Article Approval/ Production Part Approval Process

First Article and / or Production Part Approval may be required prior to the first shipment of production material to PIHER SENSORS & CONTROLS or when a product undergoes a change. If this is required, suppliers will be informed on the documentation and data that need to be submitted to receive approval for product shipment. Some examples of documentation and data that may be requested by a Checklist sent by Piher include:

- a. Submission Warrant
- b. First Article Inspection Report
- c. Process Flow Diagram
- d. Process Failure Mode Effects Analysis
- e. Process Control Plan
- f. Process Capability Studies
- g. Measurement System Analysis Results
- h. Dimensional Data
- i. Material composition data
- j. Physical Samples (i.e. Color, Texture, Appearance, Others)

Depending on the needs of our customers, requirements for Advance Product Quality planning (APQP), Production Part Approval Process (PPAP) and specific format for reporting shall be communicated at the time of request for submission. If a submission cannot be approved, the supplier will be informed of the discrepancies and requirement to submit corrective action. Once corrective action(s) is complete and the discrepancies corrected, the supplier must contact the PIHER SENSORS & CONTROLS Requestor to schedule the date for re-submission.

Questions regarding PPAP submission requirements or submission status should be directed to the PIHER SENSORS & CONTROLS contact who has requested submission. Copies of all requested First Article and PPAP submissions must be maintained by the supplier and be readily available for review upon request.

In general suppliers are expected to follow the guidelines of PPAP for the submission of product on any new program or after any process changes.

### 6.9.2. Process Approval

Products may go through a Process Audit VDA 6.3 prior to production approval. This Process Approval is conducted at the supplier's manufacturing location(s) to assess production readiness to meet PIHER SENSORS & CONTROLS quality and volume requirements. Items that are typically reviewed during a Process audit include:

- a. First Article and/or Production Approval documentation
- b. Review of the actual production process (Receiving until Shipping) and Product c. Run at rate (production volume achieved in a measured period of time)
- d. Equipment / Process Capability
- e. Measurement Systems Analysis
- f. Preventive / Predictive Maintenance
- g. Process documentation (Work instructions, SPC charts, Visual Aids, etc...)
- h. Training Plans and Records

Suppliers will be notified as early as possible of any product that is selected for Process Audit, review and approval. Timing for this Audit and the areas to be covered will be coordinated with the supplier. Issues identified during the Audit must be corrected to close the Process Audit and receive full production approval.

All the Audits VDA 6.3 in Supplier will be performed by the Supplier Quality Development / Supplier Quality Assurance from Sourcing department.

## 6.10. Production Process

### 6.10.1. Process Controls. Control plan

The supplier is responsible for adopting the necessary techniques and controls during all phases of manufacturing to ensure that the quality of the product produced is both known and controlled. As a measure of continued process improvement, a capability study shall be conducted on key characteristics, mutually agreed by PIHER SENSORS & CONTROLS and the supplier. The supplier shall submit data or evidence of performance when required by PIHER SENSORS & CONTROLS. In the absence of specified capability requirements, a minimum Cpk value of 1.5 will be considered as standard. Established processes cannot be modified by a supplier without written agreement from PIHER SENSORS & CONTROLS.

### 6.10.2. Inspection Process

When indicated in the purchase order, first article inspection approval shall be provided by supplier prior to initiation of full production. The supplier is responsible for notifying PIHER SENSORS & CONTROLS Purchasing when first article samples and inspection data are available. Purchase functions of business entity shall arrange with the supplier to review the first article data and samples. First article approval does not relieve the supplier from the responsibility of not assuring that subsequent production is in accordance with documented requirements.

In addition, any other specific Inspection and acceptance criteria as required for the different procured items shall be defined by the individual PIHER SENSORS & CONTROLS Business entity.

### 6.10.3. Calibration System

Supplier is responsible for the maintenance and calibration of standard measurement and test equipment such as pin gages, thread gages, micrometers, comparators, millimeters, force gauges, vision systems and other related electrical and mechanical measuring devices used to determine the acceptability of materials and tooling used in production. It shall be controlled and calibrated in accordance with the current revision of ISO 10012 or equivalent national standard.

## 6.11. Product/Service Quality Concern Resolution

### 6.11.1. Nonconformance Reporting

A non-conformance is generally intimated through 8D reporting Document

**Containment plan:** Within **24 hours** of the receipt of Non-Conformance notification, supplier is required to **submit a formal containment plan**, addressing at least the following:

- Defect confirmation
- Immediate containment action to prevent further shipments of non-conforming material.
- Information regarding shipments in transit identifying actions for ensuring defect free receipt.

**Corrective Actions:** It must be **submitted within the next 5 working days** , addressing:

- Identification of all potential causes and confirmation that the selected corrective actions will resolve the problem and will not cause undesirable side effects.

**Closing Noc :** The 8D has **to be closed within 7 days** for any Complaints directly from PIHER SENSORS & CONTROLS Customers and other cases 15 days.

Suppliers are generally provided specific template to be used for submitting the corrective action reports (8D reports). If no template is provided, the suppliers' format can be used if it contains the minimum elements listed below.

- a. Identification of the Corrective Action Team
- b. Problem Description
- c. Interim Containment Actions
  1. Actions Taken
  2. Data showing effectiveness
- d. Root Cause (s)
  1. Root Cause for Occurrence
  2. Root Cause for Not Detection
- e. Corrective Action(s)
- f. Verification – Verification of the effectiveness of the corrective action(s) taken
- g. Preventive Action(s) – Actions taken to prevent recurrence

### 6.11.2. Cost of Nonconformance

Suppliers are responsible for the quality of the product they supply to PIHER SENSORS & CONTROLS. Product quality concerns can lead to disruptions in our manufacturing operations which can potentially impact Customer. Costs that are incurred by PIHER SENSORS & CONTROLS due to supplier quality concerns shall be subject to recovery. Piher could have the necessity of performing a sorting to separate the good parts of the bad part of a lot because a Noc Conforming part. Piher will inform Suppliers if a Sorting must be performed. Suppliers will have to accept the cost of the sorting prior to the starting of it.

### 6.11.3. Resubmission after a rejection

Rejected shipments may be resubmitted only after the supplier has reworked or removed all defective items and has re-inspected the product to determine that all intended requirements have been met.

Resubmitted shipments shall be accompanied with a copy of the NOC and a report on results of the rework/sorting performance and should be preceded by notification to the PIHER SENSORS & CONTROLS buyer/authorized procurement personnel and/or other appropriate PIHER SENSORS & CONTROLS personnel. PIHER SENSORS & CONTROLS retains all rights with respect to resubmitted shipment same as with the original lots.

Supplier is responsible for the quality of the product even if accepted at receiving inspection which may be found to be nonconforming later during the manufacturing process in PIHER SENSORS & CONTROLS, unless there is a specified shelf life and that it is exceeded.

### 6.11.4. Shipment of Suspected Non-Conforming Product

If a supplier suspects that non-conforming material has been shipped, they are required to immediately contact the affected business entity and inform them on the following:

- a. Part number
- b. Quantity impacted
- c. The suspected non-conformance
- d. Lot number(s) impacted
- e. Date code(s) impacted
- f. Ship date, carrier, tracking number, etc.

Suppliers are expected to contain the suspect product, arrange for the shipment and ensure receipt of “certified” replacement product to protect production requirements and the recall of all suspect products.

### 6.11.5. Deviations from Specifications and/or Requirements

Suppliers are expected to ship product and services that fully meets the applicable specifications and requirements. It is the policy of PIHER SENSORS & CONTROLS not to accept product that does not fulfill the requirements of the relevant drawings and specifications. Product that does not fully meet these requirements cannot be shipped unless prior written approval is received from PIHER SENSORS & CONTROLS.

Deviations are issued for a specific quantity or period. Suppliers must strictly adhere to this specified time limit. PIHER SENSORS & CONTROLS reserves the right to reject any request for deviation. Questions regarding deviations should be directed to the PIHER SENSORS & CONTROLS supplier contact of the Business entity.

The concession request shall also include the action plan identifying the root cause and steps to implement a permanent corrective action even if deviation is granted. The way the product is identified should be included in the action plan

### 6.11.6. Quality Alert Notification

All Direct (Productive) material suppliers are required to alert PIHER SENSORS & CONTROLS in the event of any major quality issues that may impact delivery to PIHER SENSORS & CONTROLS

## 6.12. Product/Process Change Notification (PCN)

When PIHER SENSORS & CONTROLS has a change to Process, Method, Machine, Material, Tooling, Drawing or Inspection Plan, PIHER SENSORS & CONTROLS will release Product/Process Change Notification (PCN) and Supplier needs to acknowledge receipt / acceptance of the change. In case of any difficulties to implement the change, Supplier shall get back to PIHER SENSORS & CONTROLS to revisit the change and mutually agree for a conclusion.

When a supplier is planning a change to Method, Machine, Material, Tooling, Drawing, Inspection Plan or discontinuance of a product, they shall notify PIHER SENSORS & CONTROLS. The information received in the notice is reviewed to determine its impact.

Suppliers are required to submit a Product /Process Change Notice for any proposed change including the following:

- Change in manufacturing process
- Change in material or change in material source
- Change in manufacturing location
- Change in part construction / design (i.e. Die Shrink)
- New or modified tooling
- End of life

They should also attach supporting documents (e.g. dimensional measurements, testing or analysis data) to evidence that the proposed change will not impact performance requirements of the product supplied. When relevant, samples should also be provided. Submission of a Product/Process Change Notice to PIHER SENSORS & CONTROLS does not indicate approval of a proposed change. PIHER SENSORS & CONTROLS shall evaluate the change request with the cross functions and inform supplier on the approval / rejection. Suppliers must maintain records of the date of implementation of each change.

For every Product/ Process Change Notice submitted, suppliers are required to review the impact on material composition and submit an updated full material disclosure report / declaration if there is material change.

The guidelines for submitting a Product/Process Change Notice are:

- The supplier name and contact information must be included in the document
- Notices must describe the type of change proposed (e.g. End of Life, Product Change, Manufacturing Location Change, etc...)
- A unique notice number must be generated for each Change Notice
- Each Change Notice must be dated
- For End of Life notices, the Last Time Buy Date and Last Ship Date must be included
- For all other change notices, the implementation date must be included
- Each notice must contain all part numbers that are impacted

## 6.13. Supply Chain Management

Suppliers to PIHER SENSORS & CONTROLS are expected in turn to have systems in place for the qualification and management of their suppliers. The system employed should encourage defect prevention. Suppliers must verify that their suppliers are also in compliance with their customer's product, legal, regulatory and environmental requirements that apply to the design, manufacture and delivery of materials and components. PIHER SENSORS & CONTROLS Suppliers shall have their supplier performance measured and periodically reviewed with improvement actions identified / taken where appropriate.

#### 6.13.1. Delivery Requirements-On Time Deliveries

The supplier shall deliver only according to PO/Schedule orders. PIHER SENSORS & CONTROLS expects suppliers to establish a system to support **100% on-time shipments** to meet production and service requirements. Supplier shall communicate to PIHER SENSORS & CONTROLS Buyer/Planner on potential late delivery problems in advance of the due date. When 100% on-time shipments are not maintained, implement internal corrective action to improve delivery performance.

#### 6.13.2. Delivery Failure Charges

Any cost and expenses (e.g. special freight costs) related to early or late shipment, over or under shipment shall be charged to the supplier. Supplier will also be liable for charges which PIHER SENSORS & CONTROLS incurs from Customer because of Supplier delivery failures.

#### 6.13.3. Flexibility

PIHER SENSORS & CONTROLS may, under exceptional circumstances, ask for deliveries with shorter lead times than the ones initially agreed. The supplier shall then use best efforts to fulfill the request without any price increase and impact on existing open orders.

#### 6.13.4. Exceptional Conditions

The supplier shall notify PIHER SENSORS & CONTROLS immediately in writing of circumstance that may cause a delay in delivery, stating the period of the delay, the reasons and the implemented actions to minimize the consequences of such delay and to avoid further occurrence.

If necessary, the supplier shall use additional efforts, including premium freight or other expedited methods to avoid delay. All additional cost and expenses resulting from such premium effort or premium transportation shall be borne by the supplier.

#### 6.13.5. Consignment Stock (CS) and Supplier Managed Inventory (SMI)

Consignment Stock is defined as the Item inventory owned by the Supplier. Early in the Supplier Development process, the supplier is asked to maintain a predetermined inventory level to offset demand fluctuations or manufacturing process constraints. The Supplier managed inventory may be physically located by request either at premises of PIHER SENSORS & CONTROLS business entity, Supplier or Third-party premises based on the PIHER SENSORS & CONTROLS forecast provided. The details of the managed inventory process are agreed and documented with individual suppliers.



## 6.14. Quality Records

The supplier is responsible for maintaining to a minimum the following records for each part number manufactured or provided, as applicable:

- A. Inspection records
  - i. First article inspection results
  - ii. Set up inspection records
  - iii. In process inspection records
  - iv. Final inspection records
  - v. Dock audit results
- B. Certificates of compliance (if asked for)
- C. Laboratory analysis test results as applicable
- D. SPC data (if applicable)
- E. Purchase orders
- F. Documents related to change management
- G. Approved deviations
- H. Calibration records
- I. Nonconforming material records
- J. Corrective action responses
- K. Shipping records
- L. PPAP (as applicable)
- M. Environmental Record
- N. IMDS registration number (if applicable)

These records shall be maintained for a minimum of **three years** or as defined mandatory by applicable standards or specific PIHER SENSORS & CONTROLS requirements.

## 6.15. Site Visits

Suppliers shall allow PIHER SENSORS & CONTROLS employees or representatives to visit the manufacturing facilities of Supplier or associated Sub Supplier or Subcontractors provided that, (1) PIHER SENSORS & CONTROLS gives Supplier reasonable advance notice for the visit; and (2) such visits do not unreasonably disrupt the manufacturing capability of Supplier or subcontractor or violate any safety or clean room procedures.

PIHER SENSORS & CONTROLS and its customers reserve the right to perform any testing or inspection that may be necessary to determine that the purchase order requirements have been met, including verification at the supplier's location if required.

## 6.16. Product Conformance Data

Suppliers may be requested to provide test or inspection data showing product conformance to specifications and requirements. The content and submission requirements / frequency will be communicated to the supplier. Suppliers are expected to comply with PIHER SENSORS & CONTROLS requests to provide this information.

## 7.0 ENVIRONMENTAL COMPLIANCE / COMPONENT COMPOSITION REPORTING RECORDS

Suppliers must comply with all applicable governmental, regulatory and environmental requirements (including those of the country where products are manufactured as well as to the country shipped where the PIHER SENSORS & CONTROLS entity is located. This applies to the design, manufacture and delivery of products to PIHER SENSORS & CONTROLS

Suppliers are required to have processes in place to monitor changes in applicable governmental, regulatory and environmental requirements, determine the impact of the changes to their operations and products that are supplied to PIHER SENSORS & CONTROLS and take appropriate actions to ensure continuing conformance.

Suppliers are responsible for Environmental compliance in accordance to the guidelines provided by each entity of PIHER SENSORS & CONTROLS regarding RoHS, REACH/SVHC and Banned Restricted reportable substances for each category sourced.

In event any change of material is affected by Suppliers, material disclosure report/declaration must be submitted. PIHER SENSORS & CONTROLS strongly advocates a proper change management process is followed.

If any specific category and/or supplier are determined to be at risk, PIHER SENSORS & CONTROLS may request from time to time, suppliers to submit updated material composition data reports / declarations.

Suppliers are requested to establish a central point of contact for this reporting activity. This person should be the focal point for coordination of these reporting activities throughout the suppliers' organization.

The latest submission on record at PIHER SENSORS & CONTROLS will be considered the current version. **It is the responsibility of all suppliers to ensure that the latest version of material composition data for all products that they supply to PIHER SENSORS & CONTROLS has been submitted.** They also need to ensure the similar control for all sub suppliers who will be involved in the business with PIHER SENSORS & CONTROLS.

## 8.0 CONFLICT MINERALS

PIHER SENSORS & CONTROLS is committed to ensuring that the products it sells do not incorporate "conflict minerals" (minerals which are smelted into tin, tantalum, tungsten and gold) sourced from entities which directly or indirectly finance conflict in the Democratic Republic of Congo or adjoining countries. PIHER SENSORS & CONTROLS intends to fully comply with the requirements of Section 1502 of the Dodd-Frank Act, which requires that PIHER SENSORS & CONTROLS perform due diligence into the sources of such minerals and disclose the results of such diligence.

### **PIHER SENSORS & CONTROLS requires its suppliers to**

1. Perform sufficient due diligence into their respective supply chains to determine whether products sold to us contain tin, tantalum, tungsten or gold, and, if so, whether and to what extent those metals are sourced from conflict-free smelters
2. Report to PIHER SENSORS & CONTROLS the results of such due diligence to enable PIHER SENSORS & CONTROLS to comply with its legal obligations and policy goals
3. Commit to or becoming "conflict-free", so that any such metals are sourced only from conflict free smelters.
4. Suppliers should audit their supply chain at regular intervals and ensure that their smelters and refiners are Conflict Free Smelter Program (CFSP) compliant and in case of any deviation or any change in the source, it should be reported to PIHER SENSORS & CONTROLS immediately.

## 9.0 SUPPLIER SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (SSER)

It is stipulated by PIHER SENSORS & CONTROLS Corporate Responsibility policy to comply with all the applicable laws and regulations of the countries and regions in which it operates and to conduct business activities in an honest and ethical manner in compliance to Responsible Business Alliance (RBA) Code of Conduct.

Suppliers shall be committed to ethical conduct and respect for human rights in accordance with the principles of internationally recognized social and ethical conventions, for instance the United Nations' Universal Declaration on Human Rights, International Labor Organization's (ILO) Conventions and Recommendations and have internal guidelines in place to do so. The Universal Declaration on Human Rights document along with other United Nations documents pertaining to human rights can be found on their website at [www.un.org](http://www.un.org). Copies of ILO Conventions and Recommendations as well as research tools for finding national and international laws can be found at the ILO [website www.ilo.org](http://www.ilo.org).

The Electronic Industry Code of Conduct outlines standards to ensure that working conditions in the electronics supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. The Electronic Industry Code of Conduct can be found at <http://www.responsiblebusiness.org/standards/code-of-conduct>.

PIHER SENSORS & CONTROLS regards this as a total supply chain initiative. Therefore, suppliers must also require their own suppliers to acknowledge and implement this code. Amphenol strictly prohibits slavery and human trafficking including in its subcontractors, suppliers and agents in global supply chain.

**All suppliers are required to sign and acknowledge PIHER SENSORS & CONTROLS SSER Policy and Amphenol Corporation Code of Business Conduct and Ethics before starting of business.**

Suppliers are required to initiate corrective actions for any findings that may arise from these assessments and provide copies of these corrective actions including evidence of completion to PIHER SENSORS & CONTROLS. Questions regarding this should be directed to your PIHER SENSORS & CONTROLS contact.

## 10.0 COUNTERFEIT SUPPLIES

PIHER SENSORS & CONTROLS requires all its suppliers to ensure that they have a process to detect & control counterfeit supplies from their sub suppliers. Suppliers are required to establish the authenticity of supplies through Certificate of Compliance or Test reports as identified by the procuring business entity of PIHER SENSORS & CONTROLS.

In case of suspected fraudulent or counterfeit parts found during incoming inspection or any stage of manufacturing process, the parts are eventually returned to the responsible suppliers and such suppliers are to be removed from their AVL list & further deliveries not to be accepted.

## 11.0 BUSINESS CONTINUITY AND PANDEMIC PREPAREDNESS PLANS

### 11.1. Risk Assessment & Contingency Planning

A supplier of any PIHER SENSORS & CONTROLS entity shall conduct a risk assessment of their operations and that of their sub suppliers. Each assessment should consider at a minimum, the impact arising from:

- Natural disasters
- Geo-political hazards
- Supply chain disruptions
- Facility or system issues
- Information loss
- Intellectual property claims
- Personnel concerns
- Equipment problems

The supplier shall prepare contingency plans that focus on protecting employees, maintaining operations, alternate supply in the event of enforced closures and extend it to their supply chain to ensure continued operations at PIHER SENSORS & CONTROLS. The supplier shall communicate on any critical risk scenario without a contingency plan that may result in a Major Disruption. The supplier shall provide the contingency plans to the buyer of PIHER SENSORS & CONTROLS entity when requested

## 12.0 SUPPLIER FINANCIAL RISK ASSESSMENT

Suppliers could be required to conduct Financial Assessment for their key suppliers at least once in three years. At any time, financial instability is noticed, depending on the criticality of supplier and associated risk the assessment periodicity can be reduced

## 13.0 SUPPLIER BUSINESS CONTINUITY PLANNING

Suppliers need to evaluate the Business Continuity Management of their sub supplier and should have system to monitor Business continuity practices during new supplier evaluation and selection process.

## 14.0 SUPPLIER PERFORMANCE SYSTEM

All strategic productive suppliers and new suppliers under probation in PIHER SENSORS & CONTROLS shall be regularly evaluated against Parameters - **Quality, Delivery, Cost, and Services & Response**. Each PIHER SENSORS & CONTROLS entity shall use suitable methods to share the targets set for the suppliers.

Quality Performance of supplier is monitored based on absolute number of non-conformances and/or PPM reported. Business entity shall assign the target for the suppliers based on previous year's performance. The target for a supplier with zero NC shall remain as zero for the succeeding year also

Delivery performance is monitored against target provided for delayed deliveries & missed delivery leading to production delays.

Price deflation/Price erosion/Market Price is used to monitor the cost performance.

Response & Service are monitored through timeliness of supplier to the requirements of PIHER SENSORS & CONTROLS entities.

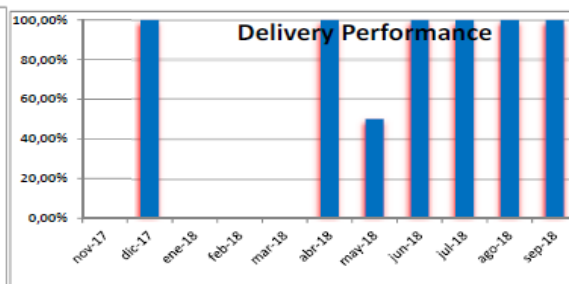
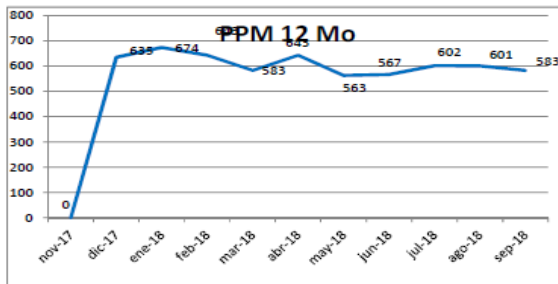
### 14.1. SUPPLIER PERFORMANCE

Key Suppliers are monitored Monthly. Key Suppliers are evaluated once a Year. Medium Suppliers are evaluated every two years. No key Suppliers are evaluated in the first year only. Suppliers can obtain information on their performance. A report with the monthly performance I sent to Key Suppliers .

PPMs										
dic-17	ene-18	feb-18	mar-18	abr-18	may-18	jun-18	jul-18	ago-18	sep-18	
500	0	0	0	0	0	0	0	0	0	0 Qty defective
120.200	79.400	35.000	81.200	64.900	110.100	59.600	92.400	85.300	85.300	Qty delivered
4.160	0	0	0	0	0	0	0	0	0	PPM MONTH
635	0	0	0	0	0	0	0	0	0	PPM YTD
635	674	643	583	643	563	567	602	601	583	PPM Roll. 12M
1.105	940	1.184	1.192	1.178	1.019	0	0	0	0	PPM Roll. 6 M
1.624	2.054	2.131	0	0	0	0	0	0	0	PPM Roll. 3M

Nocs										
dic-17	ene-18	feb-18	mar-18	abr-18	may-18	jun-18	jul-18	ago-18	sep-18	
1	0	0	0	0	0	0	0	0	0	0 Complaints Open

OTDs										
dic-17	ene-18	feb-18	mar-18	abr-18	may-18	jun-18	jul-18	ago-18	sep-18	
0	3	1	3	0	1	0	0	0	0	0 Shipments NOT OT
3	3	1	3	3	2	2	4	2	2	2 Total Shipments
100,00%	0,00%	0,00%	0,00%	100,00%	50,00%	100,00%	100,00%	100,00%	100,00%	100,00% Delivery Performance
76,47%	0,00%	0,00%	0,00%	30,00%	33,33%	42,86%	55,56%	60,00%	63,64%	63,64% Delivery Perf YTD
76,47%	61,11%	57,89%	50,00%	54,17%	53,85%	55,56%	55,56%	55,56%	62,96%	62,96% Delivery Perf. 12M
69,23%	56,25%	38,46%	21,43%	40,00%	46,67%	42,86%	66,67%	75,00%	93,33%	93,33% Delivery Perf. 6M
42,86%	37,50%	42,86%	0,00%	42,86%	50,00%	85,71%	87,50%	100,00%	100,00%	100,00% Delivery Perf. 3M



### 14.2. STRATEGIC BUSINESS REVIEW (SBR)

Business review meetings shall be conducted with PIHER SENSORS & CONTROLS strategic suppliers to guarantee consistent communication and collect necessary feedback from suppliers where need for improvement arises based on evolution.

Recommended topics for review during the meeting are

- Review –Action status on previous SBR
- Business Evolution
- Performance Data (Supplier Score card, Quality, Price Erosion, Supply Chain)
- New Projects/Investments
- Activity Status (Audits, Trainings, Time plan on IATF certification (for automotive suppliers))

Action items are agreed and assigned to action owners (suppliers) for regular monitoring by SBR leaders and reviewed in the subsequent SBR.

### 14.3. Supplier Surveillance Audits

Surveillance Audits are periodically conducted to evaluate continuing ability of supplier to fulfill requirements and expectations. Surveillance audits can include the following:

- a. Request for supplier completion and submission of an updated Self-Assessment Questionnaire
- b. On-site assessment
- c. Both a and b

Suppliers will be notified in advance of the need for completing a surveillance audit and are requested to provide the necessary support for completion

### 14.4. Temporary Suspension of Business

Business Entity of PIHER SENSORS & CONTROLS can decide to suspend business with the supplier temporarily based on poor performance, depending on the severity and impact without any prior discussion. In case further improvement is not there within 30 days suitable decision on future course of action may be taken in consultation with Business unit General Manager.

## 15.0 CONTINUOUS IMPROVEMENT

Suppliers are expected to have a process in place to support continual improvement focusing on continued reduction in variation, improvement in efficiencies and elimination of waste aligned to PIHER SENSORS & CONTROLS's principles of Operational Excellence.

Note: Continuous Improvement can only take place once all product and customer requirements (including process capability) have been fully and consistently fulfilled.

## 16.0 ANTI-BRIBERY AND ANTI-CORRUPTION EXPECTATIONS

PIHER SENSORS & CONTROLS is committed to follow laws & business practices whether in United States or any other country in the world maintaining the highest ethical and legal standards. PIHER SENSORS & CONTROLS strive to comply in both letter and spirit of the laws and regulations in each country in which we do business. The day-to-day business is conducted in an honest and ethical manner with everyone. Suppliers of PIHER SENSORS & CONTROLS are expected to share this responsibility and help prevent bribery and corruption.

All suppliers will adhere to all applicable laws and regulations governing Agreement, including, without limitation, the US Foreign Corrupt Practices Act with similar laws in other jurisdictions where the Company conducts business, including without limitation the UK Anti Bribery Act, prohibit all Amphenol companies and operations, from making any inappropriate payments or offers of payments in order to obtain or to retain business.

Any questions regarding any anti bribery laws, please contact Amphenol Legal department.

## 18.0 APPENDIX A- SECTOR SPECIFIC REQUIREMENTS

### 18.1. Automotive Industry

Suppliers of various productive categories that are used in automotive products are required to meet the following additional requirements:

#### 18.1.1. Quality System Requirements

- Certified to quality system ISO9001:2015
- Encouraged to implement an IATF 16949:2016 compliant quality system or at least be having a working time bound plan to be IATF 16949:2016 certified.
- Copy of the current registration certificate must be provided. Suppliers are also requested to provide PIHER SENSORS & CONTROLS with the latest revision certificate on certification renewals or when amendments are made.
- Suppliers whose certificates are either placed on probation or revoked must notify PIHER SENSORS & CONTROLS in writing within 24 hours of occurrence. PIHER SENSORS & CONTROLS reserves the right to request a copy of the supplier's corrective action plans to address the non-conformances that lead to probation or revocation.
- Suppliers are required to notify PIHER SENSORS & CONTROLS in writing if a change in registrars is planned.

#### 18.1.2. Production Part Approval

- Suppliers are required to fulfill the requirements of the Production Part Approval Process Manual which is available for purchase through the Automotive Industry Action Group on their website [www.aiag.org](http://www.aiag.org). The level of evidence (Level 1, 2, 3, 4 or 5) that is required for submission will be communicated to the supplier.
- **Level 1** shall be the default level for all submissions unless otherwise specified. **Level 3** shall be the default level for Automotive products unless otherwise specified.
- Suppliers are required to update as necessary all applicable items in their PPAP file to reflect the production process, regardless of whether PIHER SENSORS & CONTROLS requests a submission.
- Suppliers can create their own forms for PPAP submissions provided that the entire content of the forms contained in the PPAP Manual is included. Electronic forms are also available for purchase through the Automotive Industry Action Group.
- Suppliers are required to maintain copies of all completed PPAP packages and ensure that they are readily available for review upon request.

#### 18.1.3. Contingency Plans

Suppliers are required to prepare contingency plans to ensure flow of product in the event of emergency (i.e. utility interruptions, labor shortages, equipment failure, fire, field returns, etc). These plans should be available for review at PIHER SENSORS & CONTROLS 's request.

Questions regarding these requirements should be directed to the individual PIHER SENSORS & CONTROLS Business Unit making the request.

#### 18.1.4. Customer Specific Requirements

Suppliers are required to communicate their end customer requirements with sub suppliers also.

REVISION HISTORY

REV	PAGES	DESCRIPTION	DATE
A	23	Initial Release	29-January -2019

**Supplier**

Signed by: