This manual has been created to assist our suppliers in understanding the purchasing expectations and quality requirements for all supplies to OETIKER. The manual is also a tool to assist OETIKER in complying with the IATF 16949 and to develop our suppliers.

The purpose of this Supplier Manual is to define the minimum requirements for all supplies. All suppliers shall be obliged to fulfil the requirements defined in this manual.

In addition, other relevant documents named in this manual shall become applicable with the acceptance of this Supplier Manual. Other local agreements may exist and require supplier acceptance, they have a complementary character

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1. General

1.1 The provisions of this supplier manual, hereinafter the Manual, shall apply to all current and future purchase agreements between OETIKER and the supplier. The Manual's provisions will be considered as a supplement to the requirements defined in the purchase order, OETIKER´s general purchase terms and conditions and any additional requirements as determined by OETIKER

1.2 It is the responsibility of the supplier to make products and provide services that meet the requirements agreed in advance in the purchase orders or specifications of OETIKER and its customers. The supplier is further responsible for the quality of the products provided by their sub-suppliers and ensuring that they adhere to the same quality requirements to which the supplier is obligated.

1.3 It is the supplier's responsibility to inform OETIKER of any change to the status of an approved quality or environmental certification and to provide proof of new or updated certification upon receipt from an approval body.

1.4 The Manual is of unlimited duration. OETIKER shall dully notify in writing to the supplier the latest released version of the Manual. Any updates of the Manual will be notified if there are any substantial revisions. Failure to maintain the Manual with OETIKER may result in the supplier being blocked for existing and future business and /or removed from the approved supplier listing.

1.5 The supplier and OETIKER shall keep all details of any communication, verbal or written, confidential. For the exchange of confidential or sensitive information a Non-Disclosure Agreement (NDA) shall be signed

1.6 The supplier and OETIKER shall comply at all times with the data protection legislation applicable and shall not perform any obligation under this Manual in such a way as to breach any obligations under data protection legislation

2. Supplier Categories

Given by the impact of the influences to product and services that OETIKER is providing to the customers we categorize the supplier in three groups:

- DIRECT SUPPLIERS.
- INDIRECT SUPPLIERS.
- SERVICE SUPPLIERS.

This allows us to identify and mitigate risks.
This supplier manual is valid only for category SERVICE SUPPLIERS.

3. Supplier Selection

To get an approved OETIKER supplier status, the candidate must pass the following selection process:

- Self-assessment
- Supplier manual agreement
- Acceptance of SERVICE specifications

4. Service Delivery

4.1 OETIKER expect service provided which is in accordance with OETIKER schedules, agreements or project plans, etc.

4.2 Early warning and deviation permits: the supplier shall notify OETIKER of any deviation or interruptions from agreed specifications, terms and conditions. Such a notification must be sent in advance and fully detailed with potential consequences of the deviation and a backup service for interruptions.

5. Supplier Evaluation and Escalation Process

5.1 The supplier is expected to maintain an industry standard management system to provide a service that meets the OETIKER specifications. In order to achieve the objective, the supplier shall have an active continuous improvement program in place.

5.2 All suppliers will be assessed according to our supplier evaluation process to ensure conformity of externally provided products, processes & services to internal & external customer requirements.

5.3 The following indicator will be monitored:

a) Delivered product conformity to requirements, named as SQD
b) Customer disruptions caused by suppliers, named as SCD

5.4 The supplier will be rated for each indicator by an A-, B- or C-classification.

5.5 Reaching B- and/or C-classification can initiate an escalation process to improve the supplier performance. The supplier must support the from OETIKER defined escalation steps.

6. Corrective Action

6.1 It is of high importance that the supplier starts the problem solving process upon notification. It is critical that appropriate actions occur immediately to contain the problem and avoid any further disturbances to production or potential quality hazard.

When notified of a non-conformance suppliers are requested to react in accordance with the following timelines:

- 24 Hours: Acknowledge receipt of quality notification. Begin containment activities and if needed include sorting internally, in transit and at Oetiker facilities. Problem analysis started. Identify other Oetiker sites at risk. (Email or other communication such as 8d)
- 48 Hours: Containment completed and short term corrective action fully implemented. (Email or other communication such as 8d)
- 14 days: Root Cause analysis complete for both occurrence and non-detection, permanent corrective action defined and implemented. (Timing starts after confirmation and acceptance of non-conformance.) (Supplier to Submit 8d)
- 28 days: Effectiveness of permanent corrective action checked and recurrence prevented. (Supplier to Submit 8d)

If the resolving time lasts longer than 28 days, the supplier must reach an agreement with the quality contact at Oetiker

6.2 The supplier must arrange backup service for interruptions that the OETIKER requirements could be met.

6.3 Should the supplier fail to respond on time OETIKER will take appropriate measures to ensure production is not jeopardized. All actions will be documented, and costs tracked.

6.4 The supplier must update the 8D (or similar) document regarding the identification of the root cause(s), actions taken to prevent recurrence, and verification that the actions have been effective. OETIKER has to be informed on a regular base until the issue is closed.

6.5 The concern will be deemed as closed with an official closing confirmation is sent to supplier.

7. Containment Actions and Failure Costs

7.1 In the event an interruption is found, OETIKER will take reasonable actions necessary to maintain production at OETIKER or customer location(s). All costs incurred will be documented and may include, but is not limited to, inspection, premium freight, travel and expenses to and from customer sites. All or some of the costs incurred may be charged to the supplier (the costs could be covered by an insurance-solution, which is limited to a defined level).

7.2 The supplier must ensure the effectiveness of corrective actions. The evidence must be shown for an adequate and from OETIKER approved period.

7.3 OETIKER reserves the right to participate in tests and inspections carried out by the supplier and their sub-suppliers to verify the effectiveness of corrective actions.

8. Code of Conduct

8.1 OETIKER expect our supplier to act according to our Business Partner Sustainability Standard (Code of Conduct) available at section Supplier Document at https://oetiker.com/en/Downloads/ which outlines the basic rules for decision-making and specifies what is in violation of legal, ethical and moral norms. Oetiker's expectations of conduct in the areas of human rights, labor standards, business ethics, environmental protection and safety are outlined. Oetiker expects our suppliers to communicate these requirements to their employees as well as to their own suppliers and to ensure compliance.

8.2 Oetiker engage our suppliers to undertake the assessment in a sustainability system, Oetiker will provide all needed information prior. The assessment covers the areas of environment, labor & human rights, Ethics and sustainable procurement and are in alignment with Oetiker Supplier CoC and suppliers should strive to provide as much information as possible. Suppliers who are asked to join the assessment will be expected to undertake the assessment within the time period specified in the system.

9. Regulatory and Statutory Requirements

9.1 The supplier must ensure that services delivered comply with all relevant with all applicable laws, with all regulatory requirements on occupational and public health and safety and as well as environmental protection. These for the country of manufacture as well as in the country of sale. Supplier must ensure that all statutory and regulatory requirements are passed on to the complete supply chain

9.2 The supplier must provide all regulatory required documentation for the services delivered in the languages available from the supplier.

9.3 OETIKER would encourage that the supplier establishes and maintains an environmental management system in accordance with ISO 14001 or equivalent. At least, environmental procedures should be in place.

10. Intellectual Property

The supplier ensure that the parts / components delivered are exempted from any claims on the part of a third party

11. Contingency Plan

Suppliers shall develop a contingency plan for potential catastrophes disrupting product flow to OETIKER, and advise OETIKER at the earliest in the event of an actual disaster.

12. Agreement to Comply

As an authorized representative of the supplier, I certify that supplier agrees to comply with and adhere to this revision of the supplier manual.

Supplier Name _____

Product liability Insurance

Insurance name / Policy no. _____

Insured coverages _____

Address _____

_____

_____

_____

Date _____

Printed Name _____

Title of Signatory _____

Signature _____

Do not fill out this section – only for internal use

Release of confirmed supplier manual (please confirm with date & initials)

☐ **declined**
☐ **accepted** CM **/** Purchasing _____

☐ **declined**
☐ **accepted** SD / SQA _____

Comments: _____

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