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 DIRECT SUPPLIERS.

3. Supplier Selection

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

- Self assessment
- Supplier manual agreement
- Acceptance of the ordering specifications
- Onsite risk assessment according VDA 6.3

4. Auditing and Verification

OETIKER and its customers reserve the right to examine, evaluate and audit the processes and quality assurance measures of the supplier and its sub-suppliers at any time, with advanced notification.

5. Specifications and Machine & Process Capability

5.1 Where appropriate, the supplier will be involved in the production of drawings or specifications. During the Advanced Product Quality Planning (APQP) process, it may be necessary to establish “Special Characteristics” (SC) or “Critical Characteristics” (CC). These characteristics must be statistically controlled with records available to OETIKER or its customer on demand. Other special requirements, such as “Appearance Level” may also be specified and must be controlled as required by OETIKER and its customer.

5.2 The supplier must conduct and document a detailed analysis of the suitability of the manufacturing plant used. OETIKER, during the APQP process, will set specific machine capability and/or process capability target values that must be achieved prior to approval.

5.3 The supplier’s product and packaging and all the materials used in the manufacture of the product and packaging must conform to all applicable governmental, safety and environmental regulations as they apply to the country of manufacture and sale, and in the country where the product(s) is received by OETIKER. OETIKER will advise and inform the supplier about the specific requirements which apply.

6. Production Part Approval Process

6.1 OETIKER require for process approval AIAG PPAP documentation according to the latest revision. PPAP documentation must be submitted according to a PPAP level stipulated by OETIKER. Product(s) must not be shipped unless PPAP approval has been obtained.

- For a non OETIKER approved material or a material which has not been produced by the supplier in more than 12 months, the supplier submits initial samples and documentation according to PPAP level requested.

- For yearly requalification: OETIKER will indicate which documents are to be submitted according to PPAP level 4.

6.2 The supplier must give an advanced notice to OETIKER for any proposed change to the supply chain, the product, the production processes, the manufacturing location and/or the warehouse location that might affect the products supplied. Change will be notified through the Supplier Change Request form stored in the section Supplier Document at https://oetiker.com/en/Downloads/. Oetiker approval for proposed change is needed before products are dispatched.

6.3 Early warning and deviation permits: the supplier shall notify OETIKER of any significant deviation of the process, products, packaging from their internally defined quality requirements and parameters using the template Supplier Request for Deviation Approval stored in the section Supplier Document at https://oetiker.com/en/Downloads/. Such a notification has to be sent in advance and detailed with potentially affected deliveries and describe potential consequences of the deviation. Deviation approval is required prior the dispatch of the goods.

7. Delivery and Transport

7.1 OETIKER expects a delivery performance which is in accordance with OETIKER's schedules on-time and quantity.

7.2 Delivery must be in accordance with OETIKER's normal receiving hours, unless otherwise agreed. Information must accompany each delivery to identify the supplier, the product(s) and quantities, the reference/order number, and hazardous material or environmental notification. OETIKER may specify additional requirements previously agreed with the supplier.

7.3 Packaging must be sufficient and according to the agreed specifications to ensure no damage to the product(s).

8. Supplier Evaluation and Escalation Process

8.1 The supplier is expected to maintain a production and quality system to provide zero defects culture. In order to achieve the target of zero defects, the supplier shall have an active continuous improvement program in place.

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

8.3 The following indicators will be monitored:

a) Delivered product conformity to requirements, named as SQD
b) Customer disruptions caused by suppliers, named as SCD
c) Delivery schedule performance, named as SDP
d) Environmental disruptions caused by suppliers, named SEP

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

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

9. Corrective Action

9.1 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

9.2 If the supplier is liable for the defect products, the supplier must arrange immediately actions for collection and replacement of defective products or arrange actions for sorting or reworking at a location specified by OETIKER.

9.3 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 (see “10 Failure Costs” below).

9.4 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.

9.5 Quality Complaint Escalation

In the event a Supplier does not communicate in a satisfactory method regarding claims which meets Oetiker expected timelines (as listed in the relevant supplier manual), the SD/CM in charge will initiate regularly scheduled meetings to correct the situation.
If regular meetings do not correct the situation or if the same behavior is reoccurring then further actions such as onsite face to face meetings, onsite audit and/or onsite management intervention meetings could be initiated.
If all options taken do not correct the situation, then supplier could be placed on “New Business Hold” status.

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

9.7 OETIKER reserves the right for an escalation audit on a management level upon reasonable prior notice to the supplier, and during regular business hours at supplier’s offices and shall not interfere unreasonably with the Supplier’s business activities, if:

- The supplier is not following the requirements regarding “Supplier deviation notification”.
- The supplier makes any changes in the supply chain, the product, the production processes, the manufacturing location and/or the warehouse location without the approval from OETIKER whenever these changes affect the products supplied.
- Improper quality performance as a result of unstable internal or external processes.

10. Containment Actions and Failure Costs

10.1 In the event the defective product 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, and 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).

10.2 If reasonable, subsequent deliveries must be inspected at supplier cost, until effectiveness of corrective actions can be ensured. The evidence has to been shown for an adequate and from OETIKER approved quantity and period.

10.3 Inspected parts must be suitably identified with sort labels.

11. Documentation

The supplier and their sub-suppliers must keep quality records on file to ensure 100% traceability of products back to the date of manufacture or receipt. OETIKER will specify the required data and retention period. If no date is specified, the documentation must be kept for at least 20 years. The supplier must make these available on request by OETIKER or the customer.

Renewed management certifications must be sent without request to your purchasing contact.

12. Testing and Inspection by OETIKER

OETIKER reserves the right to participate in tests and inspections carried out by the supplier and their sub-suppliers, to have inspections observed by an authorized third person, and to carry out inspections of products and system from the supplier, if deemed necessary.

13. Code of Conduct / Sustainability

13.1 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.

13.2 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.

14. Regulatory and Statutory Requirements

14.1 The supplier must ensure that products and 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.

14.2 The supplier must provide all regulatory required documentation for the products and services delivered (e.g.: safety data sheets; marking and labeling of hazardous materials; machines safety conformity declarations associated with operation manual and technical file; etc.) in the languages available from the supplier.

14.3 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 covering the manufacture and delivery (e.g., durable, recyclable packaging) of the products or services in question.

14.4 The European End-of-Life-Vehicles Directive 2000/53/EC (ELV), imposes specific rules for materials used in cars. All suppliers of OETIKER are responsible to ensure that materials and components supplied to OETIKER are in compliance with the ELV-Directive and its latest valid version of the related Annex II to the European Commission Decision.

14.5 OETIKER suppliers must be registered as an IMDS user and are required to report the contents of the products they supply to OETIKER in the IMDS under the respective IMDS ID Number Refer to the following link for more information about IMDS: http://www.mdsystem.com Liability rests with the supplier in the event of that components being supplied to OETIKER do not conform to the relevant statutory requirements.

14.6 In the case of wooden pallets or containers with phytosanitary treatment, the supplier ensures that NIMP-15 specification is respected for the entire supply chain.

14.7 Other regulatory and statutory requirements or customer specific requirements may occur and will be communicated separately.

15. Intellectual Property

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

16. Contigency 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. In an actual catastrophe, suppliers shall provide access to the OETIKER tools and/or their replacements.

17. 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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