LYNRED

GENERAL SUPPLIER QUALITY REQUIREMENTS

PRO-QUAL-119

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1 SCOPE OF APPLICATION

This document applies to all LYNRED SUPPLIERS providing related products and services.

The general requirements in this document will apply in addition to any other specific requirements set forth individually in supply contracts or purchase orders.

This document is not to be considered a replacement or substitute for the standards applicable to the field in question. This document applies in addition to applicable standards and shall have the same force as these standards between LYNRED and its SUPPLIERS.

SUPPLIERS must be able to demonstrate that their quality management system complies with the requirements set forth in this document. If there is no such contract, it is incumbent upon the SUPPLIER to show that the products or services it has been selected by LYNRED to provide meet the requirements in this document in a way that is consistent with the requested activity.

For suppliers whose deliveries are intended for the automotive market, they must also follow the requirements expressed in bold in each chapter.

2 REFERENCE STANDARDS

- ISO 9001 - Quality Management Systems: Requirements.
- EN 9100 - Quality Management Systems: Requirements for Aviation, Space and Defense Organizations.
- EN 9102 - Aerospace series. Quality systems. First article inspection requirements.
- **IATF 16949 - Automotive Quality Management System.**
- **Automotive Industry Action Group (AIAG) quality management standards**
- ISO 14001 Environmental Management Systems: Requirements.
- ISO 45001 - Occupational Health and Safety Management.
- ISO 26000 - Guidance on Social Responsibility.
- REACH - Registration, Evaluation, Authorisation and Restriction of Chemicals.
- RoHS - Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment.
- Conflict minerals provisions - Section 1502 of the Dodd-Frank Act requiring Securities and Exchange Commission (SEC) reporting companies to disclose whether their products contain tin, tantalum, tungsten or gold from the DRC or neighboring countries. This provision is part of the US government's Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010. In Europe, EU Regulation 2017/821 (Conflict Minerals Regulation) establishes due diligence obligations for EU importers of tin, tantalum, tungsten, their ores, and gold from any conflict zone or high-risk area.

3 TERMS AND DEFINITIONS

- Key Parameters: A Parameter of all or a part of a piece of equipment, the variation of which would have a significant impact on product assembly, performance, lifespan, or production.
- NDA: Non-disclosure agreement. An NDA is a contract through which two parties agree to protect certain information and keep it confidential. It can be a one-way agreement or reciprocal.
- A counterfeit product is an unauthorized fake or replica of an original product or a fake or altered material, part, or component knowingly represented to be an original part from an authorized designer/manufacturer.
- FR: Failure Report - The document used by LYNRED to report a non-conformity originating from the SUPPLIER. LYNRED sends the Failure Report to the SUPPLIER to report a specific incident.
- ECCF: Export Control Classification Form
- T&C: Terms & Conditions of Purchase

- Special process: A process whose results cannot be completely verified after the fact by inspecting or testing the product and for which the consequences of implementation deficiencies only become apparent during use of the product.
- PCN: Product/Process Change Notification
- PTN: Product/Process Termination Notification
- Batch : If not otherwise specified, Suppliers' batch size must not exceed one (1) day (24 hours) production, with a maximum of 20,000 pieces. The definition of the batch/batch size must be done taking into account the traceability requirements
- FAI : First Article Inspection
- PPAP : Production Part Approval Process. Corresponds to all the deliverables and justifications of conformity, from the APQP, that each supplier must provide to its customer during the development project until the launch of series production.
- APQP : Advanced Product Quality Planning. Methodology which structures the development projects and ensures through a steering committee that the QCD objectives (Quality Cost Deadlines) defined at the start of the project have all been achieved. If necessary, it makes it possible to react in due time.

4 LEADERSHIP AND COMMITMENT

4.1 PURPOSE

Quality and risk management are key success factors.

LYNRED and its SUPPLIERS must produce and deliver high-quality services that help ensure LYNRED customers' satisfaction. The SUPPLIER's primary objective will be quality in terms of the prevention and early detection of defects to meet an objective of "ZERO DEFECTS".

4.2 QUALITY MANAGEMENT SYSTEM

LYNRED requires that all partners have a quality management system in place with the associated quality policies and procedures, targets and indicators, and predetermined and managed processes.

In case the certificate is suspended by the CA, LYNRED Purchasing Department must be informed by the supplier within 3 working days.

The supplier must report to LYNRED each time before the end of the month following the month of occurrence of the acquisition of a new certification, or a certification update.

The supplier's quality management system must be certified at least to the ISO9001 standard, and in all cases comply with the IATF16949 standards.

4.3 RESPONSIBILITIES

The SUPPLIER agrees to deliver only products made using controlled processes, that have undergone quality inspections, and that have been deemed in conformity with the specifications of the contract and the state of the art. The SUPPLIER is responsible for the quality compliance of the materials used and of the products supplied. When preparing the quotation, the SUPPLIER agrees to:

- Indicate the version of the manufacturing and quality control plan used, and, if this plan is a SUPPLIER plan, send a copy to the LYNRED quality department.
- Indicate the document reference number of the specifications used.
- Indicate whether the product is subject to export control regulations/export permits.

4.4 TIER 2 SUBCONTRACTING TERMS

The SUPPLIER agrees to take full responsibility for any processes outsourced in order to ensure that these processes comply with LYNRED requirements, and to inform any subcontractors or SUPPLIERS of LYNRED's requirements.

The SUPPLIER must enter into a specific agreement with LYNRED prior to subcontracting any processes. If the supply exceeds the SUPPLIER's machine capacity, a subcontracting agreement may be entered into with LYNRED. However, the Tier 2 subcontractor cannot transfer this agreement to a third subcontractor. The fact that LYNRED is aware of and has agreed to the subcontracting of a portion of the goods or services to be supplied to LYNRED does not relieve the SUPPLIER of any of its obligations to LYNRED.

In all cases, the SUPPLIER remains responsible for the goods or services supplied. Orders sent by the SUPPLIER to the SUPPLIER's subcontractor must reference LYNRED's specifications. The SUPPLIER must implement and maintain traceability with the subcontractor.

The SUPPLIER must also obtain from all subcontractors commitments that are at least equal to the SUPPLIER's commitments to LYNRED, in particular with regard to any changes to or shutdowns of the production of products and/or services being supplied to LYNRED.

4.4.1 Verification of product purchased

The SUPPLIER agrees to use only materials that have been tested and certified as in conformity.

The SUPPLIER must determine which parameters are to be tested and obtain LYNRED's approval. Acceptance testing specifications must be written and the tests must be logged.

4.4.2 SUPPLIER monitoring and evaluation

The SUPPLIER will be responsible for the quality of all products purchased, including those designated by LYNRED. The SUPPLIER must set the terms and conditions of purchase and the responsibilities of all persons involved in the purchasing process (order preparation, entry, tracking, and acceptance).

The SUPPLIER must also establish a process for selecting, approving, and monitoring Tier 2 SUPPLIERS. This process must include periodic evaluations of the Tier 2 SUPPLIER's quality system to ensure that it is effective and in conformity with the requirements set forth in this document.

The SUPPLIER must maintain an updated list of approved SUPPLIERS.

4.5 CONFIDENTIALITY

The SUPPLIER must inform LYNRED of any manufacturing operations considered confidential before these operations are carried out. Conversely, the SUPPLIER must keep confidential all products, projects under development, and information relative to products for the duration of the NDA.

The main persons authorized to communicate confidential information are listed in the NDA. Any time confidential information is communicated, at least one of the authorized persons listed in the NDA must be present to ensure that the information is protected as required by the NDA.

4.6 CONTRACT REVIEW

During the contract review, the SUPPLIER must ensure that the requirements of the contract can effectively be met and that the associated risks (short turnaround times, new technologies, etc.) have been assessed. The SUPPLIER must ensure that it has all of the documents necessary to fulfill the order to requirements, at the latest index in force. It is the SUPPLIER's responsibility to request any additional information deemed necessary.

During the contract review, the SUPPLIER must confirm and document the feasibility of manufacturing the proposed products. "Feasibility" means that the products requested can be volume-manufactured without restrictions, in particular with regard to technical and commercial requirements such as:

- Volumes/capacities
- Schedules/deadlines/expected deadlines
- Costs/prices/performance

- Product data sheet/specifications/drawings
- Process capability
- Measurement/traceability
- Conformity with applicable regulations and any planned or foreseeable regulatory changes and, in particular, regulations such as REACH and RoHS relative to hazardous substances and other regulations relative to ethics and import and export restrictions.

By accepting the order, the SUPPLIER acknowledges that it can produce the product in accordance with all the terms of the contract and in conformity with industry best practices and the quality, deadlines, and price agreed to. In particular, the SUPPLIER must possess the means to control procurement, subcontracting, and manufacturing.

5 RISK PREVENTION

5.1 RISK MANAGEMENT

5.1.1 SUPPLIER risk

LYNRED has set up a risk management system for its purchasing operations with the goal of securing a long-term relationship with the SUPPLIER. Therefore, the SUPPLIER agrees to:

- Take out a product liability insurance policy with sufficient coverage
- Take out a professional liability insurance policy with sufficient coverage
- Take out a recall cost insurance policy with sufficient coverage
- Set up a contingency plan to ensure the delivery of products to LYNRED in the event of an emergency (also in case of force majeure)
- Take out any other insurance policy that is required by the SUPPLIER's business.

The SUPPLIER shall provide LYNRED with the above-mentioned insurance certificates at least once a year, stating the insurance cover.

LYNRED cannot be held responsible for determining what insurance policies are necessary to cover the SUPPLIER's risks. The SUPPLIER is solely responsible for assessing these risks and taking out the necessary coverage. The SUPPLIER alone will bear the consequences of these risks, in particular if insufficient coverage has been taken out.

The SUPPLIER must set up a contingency plan for continuing to deliver products to LYNRED on a regular basis and upon LYNRED's first request. LYNRED must be provided with the contingency plan. At the very least, the contingency plan will include a secure supply plan that includes a business continuity and emergency plan. This plan must be updated regularly. This plan must also include the measures the SUPPLIER will take to guarantee a continuous and uninterrupted supply of the products ordered, to the extent that this is reasonably possible. The SUPPLIER agrees to inform LYNRED of the principles and procedures of this plan if LYNRED requests this information.

This plan must also include (if necessary) the following:

a) A backup site/resource for each production site concerned.

b) A person responsible for activating the plan for each site concerned.

c) Key personnel identified and reasonably trained.

d) Organizational issues.

e) Precautions taken against any disruptions.

f) Incident reporting.

LYNRED is authorized to review the plan in accordance with the above requirements.

5.1.2 Product/process risks

- For all products sold to LYNRED, the SUPPLIER must be able to provide evidence of product and process risk controls so as to identify and prevent the risk of potential product failures.

FMEA may be used for this purpose.

The results of this analysis must be recorded and updated if any changes are made to the process or to the product specifications, for as long as the product is manufactured.

If any risk/failure is detected either due to a complaint from a LYNRED customer or by the SUPPLIER, the analyses and solutions agreed upon will be entered into a risk analysis and control tool.

The SUPPLIER must be able to demonstrate control of product/process risks, even when the product or products concerned are not developed/manufactured in-house (i.e., if they are subcontracted).

A design risk analysis will only be necessary if the product concerned is developed entirely by the SUPPLIER.
The product and/or process FMEA is mandatory and must comply with IATF16949 and the AIAG/VDA manual. It must be provided to LYNRED.

- In terms of key competencies, the SUPPLIER must also have adequate human resources processes in place.

This is because the process risk analysis could reveal key competencies necessary for the production of the product. The SUPPLIER must have a plan in place in the event that these key competencies become unavailable.

Personnel involved in manufacturing and control must be evaluated in terms of these key competencies.

For special processes, personnel must be appropriately qualified in accordance with the applicable standards.

5.1.3 Counterfeit products

The SUPPLIER must take appropriate measures to prevent the purchase and sale of counterfeit products. The SUPPLIER agrees to implement a robust anti-counterfeiting policy with a view to obtaining assurances from its own suppliers and their suppliers that all parts purchased are authentic and ensuring that there are processes in place to identify and prevent the circulation of counterfeit products as early as possible. The SUPPLIER must set up a system that documents implementation of this policy and can be audited by LYNRED.

Counterfeit or suspected counterfeit parts must be controlled to keep them from being fed back into the supply chain.

The SUPPLIER must obtain LYNRED's approval before using a distributor/reseller. The SUPPLIER must be able to verify the origin of the materials and of the products purchased.

Brokers may not be used without LYNRED's authorization.

5.2 CHANGE PLANNING

5.2.1 Production continuity and product obsolescence management

- ***Initiated by the SUPPLIER***

The SUPPLIER must maintain its production tools and facilities, guarantee the availability of competencies and spare parts, and ensure business continuity for ten years after the last order placed by LYNRED.

The SUPPLIER must notify LYNRED in writing of the discontinuation (termination or change in raw materials, components, or product groups) of any product by means of a Product Termination Notice (PTN).

The SUPPLIER must send a PTN to LYNRED if any product supplied to LYNRED within the last twenty-four (24) months has been discontinued, even if LYNRED has not placed an order for the product for several months.

In all cases, the PTN must be sent to LYNRED at least twelve (12) months before a product is discontinued.

- ***Initiated by LYNRED***

LYNRED will notify the SUPPLIER in writing if the product purchased is discontinued.

5.2.2 Product change management

- ***Change notice***

If the SUPPLIER has any plans to make changes to the products or manufacturing process, for any reason whatsoever, and whatever the nature of the change (material, design, process flow, production site, packaging, etc.), the SUPPLIER must send LYNRED notification detailing the SUPPLIER's (or SUPPLIER's SUPPLIER's) intended changes prior to implementation. This notification must include explanations, validation/test reports, and the date the change will be implemented.

PCNs must be submitted to LYNRED at least six (6) months prior to the implementation date of the planned change.

- ***Rejection of changes***

After analysis, LYNRED and LYNRED customers may request additional information/confirmations from the SUPPLIER.

LYNRED and its customers reserve the right to reject changes. If a change is rejected, LYNRED and the SUPPLIER must come to an agreement on the next steps (final purchase order, replacement with another component and validation, etc.).

- ***Agreement on the change***

If LYNRED decides to request changes to the products, LYNRED will notify the SUPPLIER of its decision and the parties will ascertain the consequences of the changes and come to an agreement on the appropriate steps to manage the change.

An initial inspection of the samples must be completed prior to delivery, and will be completed by LYNRED upon receipt.

The SUPPLIER must obtain LYNRED's agreement:

- Before initiating the product/process modification(s)

- Before shipping the volume manufactured part after implementation of the modified process

No changes to the product or manufacturing process may be initiated or implemented without LYNRED's formal approval.

6 RESOURCES

6.1 EMPLOYEES TRAINING

SUPPLIERS must provide training to its employees. All Supplier employees must be qualified for their role. An official organization must be set up by the SUPPLIER to manage the qualification of its employees.

6.2 QUALITY CONTACT

A quality contact must be assigned to ensure communication on quality issues between LYNRED and the SUPPLIER:

- Conformity matrix, general quality requirements
- Conformity matrix, specific product requirements
- Product non-conformities (FR)

6.3 TECHNICAL CONTACT

A technical contact must be assigned to ensure communication on technical issues between LYNRED and the SUPPLIER:

- Drawing approval
- Manufacturing process
- Design file

6.4 PROJECT CONTACT

A project manager must be assigned to oversee project implementation for the design of new components or the development of new manufacturing processes by the SUPPLIER. The project manager must set up a project team. The project manager will interface with the LYNRED project buyer.

6.5 SALES CONTACT

The SUPPLIER must also assign a sales contact to communicate with the LYNRED buyer about the commercial aspects of the partnership.

- Contract/applicable contract terms
- ECCF
- NDA if necessary
- Responsible purchasing guidelines
- Due diligence questionnaire

6.6 SUPPLY CHAIN CONTACT

The SUPPLIER must assign a supply chain contact to communicate with the LYNRED procurement officer on the supply chain aspects of the partnership.

- Acknowledgement of receipt of order
- Early warning in the event the SUPPLIER cannot meet the turnaround time stated in the initial acknowledgement of receipt
- Production capacity
- Site closure for holidays
- Quantities less or greater than those ordered must first be approved by the LYNRED procurement contact.

6.7 ACCOUNTS PAYABLE CONTACT

The SUPPLIER must also assign an accounts contact to communicate with the LYNRED accounts department about the following aspects of the partnership:

- If the SUPPLIER changes bank accounts, LYNRED's accounts department will complete the necessary anti-fraud verifications.
- If necessary, LYNRED may request financial statements to verify the financial stability of the SUPPLIER.
- Invoicing and credit notes.

6.8 INSPECTION AND TEST REQUIREMENTS

6.8.1 Verification of measurement, control, and testing equipment

The SUPPLIER must have formal procedures for identifying, checking before each use, maintaining, and periodically inspecting control equipment. These verifications must be logged and the logs provided to LYNRED upon request.

Control devices must be stored in such a way as to protect them from degradation and accidental damage.

Measurement standards must be linked to the measurement standards of an official body via a calibration chain.

The SUPPLIER must formally qualify all functional testing equipment to be used in the operating process prior to implementation.

The SUPPLIER must determine the conditions for maintaining the qualification of functional testing equipment and ensure that these conditions are met.

Statistical studies must be carried out to analyze the variations in the results of each control, measurement and test system identified in the monitoring plan. Analytical methods and acceptance criteria used should be consistent with those in the AIAG Measurement Systems Analysis Reference Manuals.

6.8.2 Laboratory testing

For all tests required by LYNRED, the laboratory equipment used must be formally qualified by the SUPPLIER before use.

The corresponding file must be made available to LYNRED by:

- The SUPPLIER's laboratories
- By the SUPPLIER's SUPPLIERS' labs
- By independent laboratories

The SUPPLIER must determine the conditions for maintaining the qualification of laboratory testing equipment and ensure that these conditions are met.

The laboratory must be accredited to ISO/IEC 17025 or its national equivalent (i.e. CNAS-CL01 in China) by an accreditation body (signatory) of the ILAC MRA (International Laboratory Accreditation Forum Mutual Recognition Arrangement). This accreditation must include the inspection, testing and calibration services concerned in the scope of the accreditation (certificate); calibration certificates or test reports must bear the mark (logo) of a national accreditation body.

6.9 COMMUNICATION BETWEEN LYNRED AND THE SUPPLIER

The SUPPLIER and LYNRED will communicate on a regular basis. The frequency of this communication will be determined according to:

- The number of different products supplied
- The maturity of the products
- Any non-conformities detected
- Any risks detected

=> LYNRED expects the supplier to carry out action plans and write up the minutes of meetings with LYNRED.

In order to ensure efficient communication between LYNRED and the SUPPLIER, the following contacts should be used:

- The purchasing contact
- The procurement contact
- The SUPPLIER quality contact
- The technical contact
- The accounts payable contact

7 DOCUMENTATION

7.1 DOCUMENT MANAGEMENT

The SUPPLIER must set up a documentation system that is known and used by its personnel, especially for documentation relative to the production of LYNRED products. The purpose of the documentation system is to ensure that SUPPLIER processes are implemented correctly. Documentation must be available, managed, and controlled. Each document must have a version number, and the latest version in force must be available and approved. Earlier versions should be archived and not available.

7.2 DESIGN FILE

When a new product or manufacturing process is designed, the SUPPLIER must provide a design file. The design file must be recorded in the document management system with the latest version approved. It must be available to LYNRED. It must include:

- Product drawings
- Production task list
- Bill of materials
- Control plan
- Product purchase specifications sent by LYNRED
- List of main product/process parameters
- Product/process risk analysis

7.3 RECORDS

Supplier is required to document and retain Production Part Approval Process (PPAP) packages, annual validation records, tooling records, traceability records, engineering records, corrective actions, quality performance records, and results of inspections and tests.

These must include:

- Product, equipment, or process reference number
- Inspection date
- Inspection results
- The name of the person who completed the inspection

The SUPPLIER must keep records of proof of conformity with requirements, even if LYNRED is no longer or has stopped ordering products.

LYNRED requires its SUPPLIERS to archive records for ten years, unless there are specific requirements relative to the end market.

Documents archived by the SUPPLIER must be available for consultation by LYNRED or its customers at any time.

7.4 ACCOMPANYING DOCUMENTS

The SUPPLIER agrees to provide LYNRED with validation documents for batches manufactured, as well as order delivery documents.

7.4.1 Standard products

Each delivery must be accompanied by a delivery note and an invoice; these documents must also be provided electronically by email or on the Extranet if a SUPPLIER account has been created.

- Invoices must be sent to the accounts payable department by email to service.comptabilite@lynred.com.
- Foreign SUPPLIERS must also send documents used for customs clearance to the customs and transportation department by email to import.export@sofradir.com.

These documents must be accessible without having to open shipping packaging.

The delivery note must contain a minimum of the following information:

- A delivery note number must be provided written out in full AND in the form of a barcode or QR code if possible
- The name or department of the LYNRED recipient
- LYNRED purchase order number written out in full AND in the form of a barcode or QR code if possible, as well as the line and item associated with the delivery
- The LYNRED part number written out in full AND in the form of a barcode or QR code if possible
- The batch number written out in full AND in the form of a barcode or QR code
- Quantity per batch number, one quantity/batch per line
- For products with a use-by date, the expiration date for each batch

The invoice must contain all of the information required by applicable commercial laws and VAT regulations (French laws L.441-9,I and R.123-237; French tax code art.289.II and ann.II, art.242 noniesA).

It must contain at least the following information:

- The SIRET number (French companies) or DUNS number
- The VAT identification number
- Order number
- The delivery note numbers, the batch numbers of the parts delivered
- Invoice amount: EXCL. TAX, VAT, INCL. TAX, CURRENCY
- Terms of payment, method of payment, bank details, payment due date
- For credit notes: the related invoice number, the original order number, original delivery note, and for parts, the batch number and failure report number

The quality documents listed below must also accompany each delivery; they must be sent via email or submitted on the Extranet if the SUPPLIER has an account:

- Certificate of conformity
- Materials certificate
- Inspection report if requested by LYNRED

7.4.2 Special products: exempted products, prototypes, initial samples, products out of conformity

For exempted products, the exemption certificate signed by LYNRED and the delivery note must be sent with the products. Therefore, the SUPPLIER must plan ahead to ensure that the exemption request is approved and the certificate signed by LYNRED early enough to ensure on-time delivery.

For prototypes and initial samples, a test report, a First Article Inspection (FAI) form for initial samples, the delivery note, and the invoice must be sent with the products.

Products out of conformity sent to LYNRED for analysis must be identified as such and the anomaly report must be sent with the products.

7.5 DOCUMENT SHARING

For all products delivered to LYNRED, the SUPPLIER must send the following safety data sheets to LYNRED: Technical Data Sheet (TDS) and Material Safety Data Sheet (MSDS).

The safety data sheets for the products used in the manufacturing process must be known by the SUPPLIER and available in the SUPPLIER's quality management system.

7.6 STANDARDS MONITORING

The SUPPLIER will be responsible for obtaining all information relative to the product specifications and the standards referenced in the orders/contracts. If the SUPPLIER uses standards different from those specified by LYNRED, the SUPPLIER must show that these standards are equivalent and obtain LYNRED's approval for their use.

8 IMPLEMENTATION OF OPERATIONAL ACTIVITIES

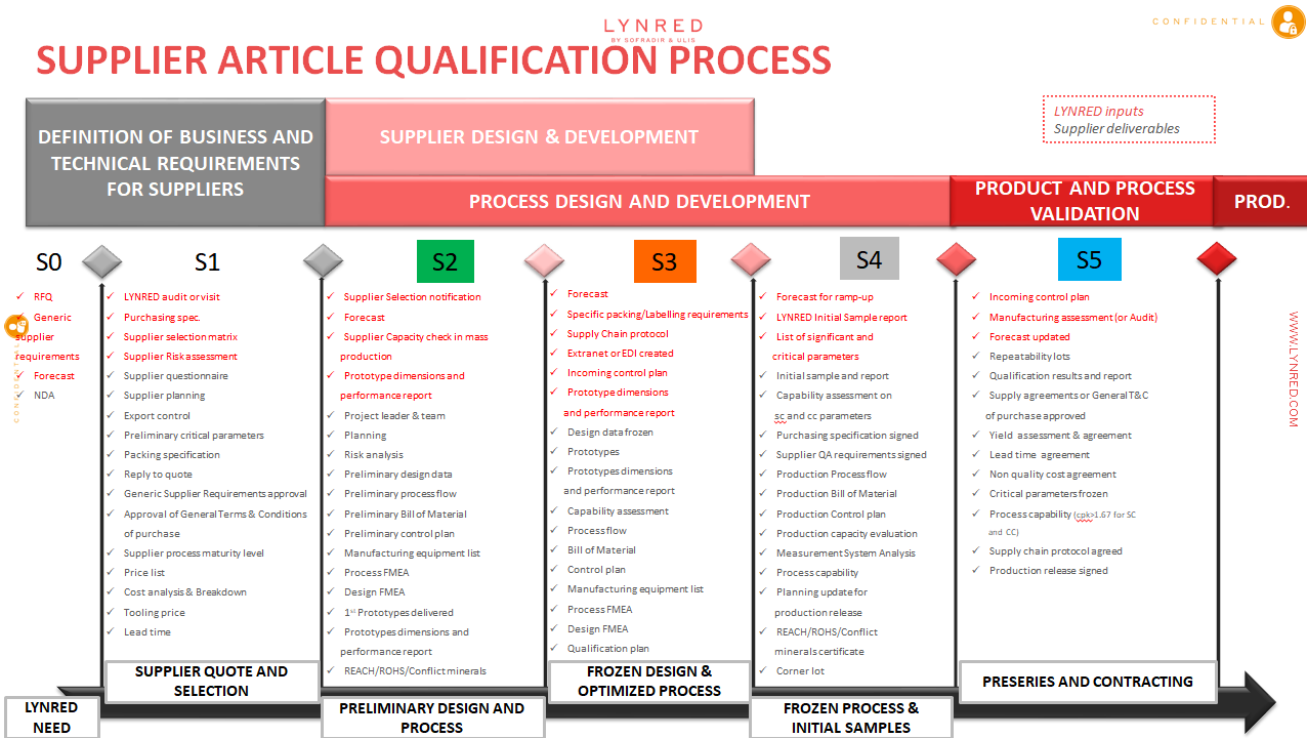
8.1 QUALIFICATION OF THE MATERIAL/SUPPLIER PAIR

8.1.1 Supplier maturity process

During new product development, LYNRED implements a SUPPLIER maturity process. The SUPPLIER is asked to respond to a set of specifications.

LYNRED then informs the SUPPLIER if the SUPPLIER will be involved in this process and if the SUPPLIER is required to provide the expected deliverables.

The SUPPLIER maturity process is as follows:



8.1.2 Deliverables

For the maturity process of each SUPPLIER/item pair, each party must provide certain deliverables.

LYNRED's supplier maturity process is shown above. The scope of the process can be reduced depending on two criteria:

- SUPPLIER risk
- The criticality of the component purchased in the finished product

8.1.2.1 Request for quotation (RFQ)

LYNRED will send specifications to the SUPPLIER, indicating:

- the technical need,

- the project schedule,

- the volumes,

- the quality requirements,

- prototype needs,

- the expected deadlines,

- the planned qualification plan,

- LYNRED's customer requirements.

8.1.2.2 Feasability commitment

For each LYNRED specification, the supplier must submit a feasibility commitment in written form regarding the project schedule, quality objectives and technical requirements.

The supplier must carry out a detailed feasibility and risk analysis for the critical criteria, and this analysis must be presented to LYNRED.

The main outcome of any discussion based on such a feasibility analysis should turn into a feasibility commitment on a shared and agreed project schedule, a shared and agreed (target) specification/plan and a supply chain.

8.1.2.3 SUPPLIER scheduling

For design and co-design projects, the SUPPLIER must prepare a schedule showing the stages in the SUPPLIER maturity process and the design and development milestones.

8.1.2.4 Supplier selection

LYNRED follows a supplier selection process.

Before supplier selection:

• The supplier must have accepted these generic quality requirements.

• The supplier must have provided the feasibility commitment

After supplier selection:

• Supplier will receive notification from LYNRED.

• Supplier expects Supplier's commitment to start a formal project by following milestones, providing the necessary resources, services, capital and equipment to meet LYNRED's requirements.

8.1.2.5 Product Purchase Specification (PPS)

A PPS must be drawn up for each item ordered from the SUPPLIER. The PPS will include the following information relative to the item: description of the item, applications, special packaging, special ID, and production, storage, and use-related information. The PPS is signed by both parties.

8.1.2.6 Export control

The SUPPLIER must complete and sign the *Export Control Classification Form* provided by LYNRED.

8.1.2.7 Key parameters

All product characteristics important to product quality are included in the drawings, the product data sheet, and the specifications. The SUPPLIER must work with LYNRED to determine the key parameters that must be taken into account in the equipment and product monitoring and control plan. The results of the risk analyses must be factored into this determination.

The definition of special characteristics is mandatory and must be provided by LYNRED.

8.1.2.8 SUPPLIER questionnaire

LYNRED will send each SUPPLIER a questionnaire that each SUPPLIER must complete, sign, and send back to LYNRED prior to the commencement of any business relationship. Periodically, LYNRED will ask the SUPPLIER to update the questionnaire. In

addition, if there are any changes in the SUPPLIER's situation since the last questionnaire, the SUPPLIER must inform the LYNRED sales contact.

8.1.2.9 Production flow

The SUPPLIER must inform LYNRED of the manufacturing process(es) used to supply the products ordered.

The production process flow is mandatory and must be able to be provided to LYNRED.

8.1.2.10 Control plan

Supplier warrants that all products supplied to LYNRED fully comply with all standards, legal and otherwise agreed requirements. The pursuit of a zero-defect strategy, strict quality planning (pre-constructed and agreed) and effective monitoring of series production are essential. The main focus here should not be on detecting nonconformities but rather on preventing nonconformities.

Equipment used in the manufacturing process must be checked and qualified regularly to ensure that quality requirements are met at all times. Therefore, the SUPPLIER must set up an inspection process that includes an inspection schedule.

The systematic planning of inspections and equipment inspection will ensure that:

- All parameters deemed relevant to product quality have been logged
- Inspection procedures, scope, and frequency have been qualified
- Equipment inspections are properly scheduled and are available in time for production start-up

The control plan must contain at least the following information:

- Basic equipment information (manufacturer, type, drawing number, version/revision number, and, if subject to documentation requirements, author, user, date, etc.)
- The key parameters inspected (at the very minimum the critical and significant criteria)
- Significant process parameters
- Inspection equipment/devices used
- Inspection frequency and sampling quantity
- Inspection method
- Type of inspection (quantitative or qualitative), by attribute or dimensional
- Scope of inspection (sampling or 100% inspection)
- Non-conformity response plan

The monitoring plan is output data from the process and product FMEA. It must be updated according to the evolution of these FMEA.

8.1.2.11 Bill of materials (BOM) or component list

The SUPPLIER must provide a list of the components used to manufacture the order. The BOM or component list will be included in the design file for the item code ordered. The supplier must also indicate whether or not multiple sources will be used for the same component.

8.1.2.12 Drawing

LYNRED and/or the SUPPLIER will issue the drawing corresponding to the order. LYNRED and the SUPPLIER will review this drawing together. The drawing will be included in the design file for the item code ordered.

8.1.2.13 Prototypes

Throughout the supplier maturity process, the delivery of prototypes is required by LYNRED:

- First prototypes
- Fixed design prototypes
- Initial samples from the frozen process

- Repeatability batches

8.1.2.14 Reports

For all prototypes delivered, the SUPPLIER must write up a quality control/inspection report with controls of the key dimensional and aesthetic parameters, and the associated Cpk if the volume of parts is too large for a 100% control.

8.1.2.15 Process capability

The process capability must be analyzed during the pre-production phase so that the necessary volume manufacturing process capability information is available as early on as possible. During a process capability analysis, the verification and validation of the manufacturing process is assessed using mathematical and statistical methods. The analysis provides information on where and to what extent actions or process improvements are needed before the start of mass production.

The SUPPLIER and LYNRED will come to an agreement on which parameters proof of process capability must be provided for and how as early on as possible. These parameters must include all of the key parameters.

For unstable processes, corrective actions should be implemented.

Statistical analysis of process capability is mandatory and must be able to be provided to LYNRED.

8.1.2.16 R&R analysis of measurement means

The R&R measurement test is used to check the capability of a measurement system for specific characteristics (examples: weight, dimensions, distance).

It is a statistical measurement system analysis tool used to measure the performance of a measurement system in terms of repeatability and reproducibility. This test qualifies a measurement system by calculating a percentage that indicates the total variations of the measurement process. The lower this percentage, the better the system.

The R&R analysis of the measurement means is mandatory and must be able to be provided to LYNRED.

8.1.2.17 Release of production certificate / approval certificate/PSW

This certificate guarantees that supplier products and processes meet all customer requirements in terms of quality, capability and capacity.

This certificate is provided blank by LYNRED, completed and signed by the supplier, and returned to LYNRED for validation of the S5 milestone.

8.1.2.18 IMDS report

The release of the initial samples is linked to the accepted IMDS entry. IMDS data must be entered into the IMDS system by the supplier in accordance with the latest requirements.

IMDS data refers to information on the detailed composition of materials stored in the international material data system IMDS (Material Data Sheet, MDS).

8.1.2.19 Product qualification

LYNRED will qualify the final product according to AEC-Q100. SUPPLIER shall take all necessary steps to design and manufacture a product reliable enough to withstand the environmental/test conditions required by AEC-Q-100. The level will be specified by LYNRED.

8.1.2.20 Initial Samples

The production of the initial samples must be carried out using the same production and inspection equipment that will be used in volume production (this is to ensure a fixed production process). Initial samples are used to qualify the product and the means of production. These standard parts are validation tested so that the SUPPLIER can obtain authorization to volume-manufacture the product.

The need for Initial Samples is specified on the order. The supplier must justify the conformity of the supply with respect to the specifications of the order, and this on a sample of articles. He must provide a metrological and cosmetic control report, as well as a Certificate of Conformity.

If the initial samples are not fully approved by LYNRED, approval to start volume production will not be granted.

8.1.2.21 Industrial Validation File (FAI/PPAP)

The industrial validation file must include the following documents:

- Production process flow.
- Control plan.
- Failure mode analysis (FMEA)
- R&R analysis of measurement means.
- Material and/or surface treatment certificate
- Metrological report: plan data measurements
- Initial capabilities on special characteristics: cpk
- Product traceability process
- **IMDS report**
- Standard parts

The purpose of this inspection is to ensure that, prior to the start of volume production: (i) the agreed quality requirements set forth in the product specifications and drawings are fully met; and that (ii) any systematic defects are corrected so that approval for volume production can be granted.

The industrial validation file is mandatory, without limitation, in the following cases:

- For new products
- For initial samples repeated due to non-approval
- For modified products (modified specifications or non-approved materials)
- For modified production technologies (e.g. welding instead of bonding)
- Relocation of production tools or equipment from or to another production site
- Change of subcontractor
- After LYNRED has requested a delivery stop due to non-conformities
- When production starts up again after an interruption of at least one (1) year

The industrial validation file must be carried out in accordance with the IATF16949 requirement.

8.2 PRODUCTION AND SERVICE DELIVERY

8.2.1 Production mode

The SUPPLIER must systematically monitor volume production using appropriate inspection methods and in accordance with the inspection plan. All monitoring actions and the corresponding systems must be documented in writing. The SUPPLIER agrees to provide LYNRED with this documentation on request.

Manufacturing operations must be carried out in accordance with approved data (drawings, bills of materials, PRT lists).

Any deviation from the initial production file (BOM, drawings, standards, specifications) must be approved by LYNRED before implementation in production.

In series production, the capability of the manufacturing process must be demonstrated by statistical process control.

- cpK ≥1.67 for special characteristics

- cpK ≥1.33 for the other characteristics

8.2.1.1 *Annual inspection according to drawing*

Each year, the supplier must carry out a control of a part of 100% of the dimensions of the drawing, for each article code dedicated to LYNRED, at each stage of the manufacturing and tooling process.

This annual inspection must be indicated in the supplier's monitoring plan.

For the levels already taken into account by the monitoring plan, for which the inspection frequency is greater than once a year, this inspection is not required.

The record of this annual inspection shall be available upon request from LYNRED.

In the event that a nonconformity is detected, all inspection results and data must be submitted to the product approval authority of the using LYNRED facility.

8.2.2 Manufacturing file

The SUPPLIER must create a manufacturing and control/inspection file to ensure that each operation has been carried out in accordance with the requirements. This file must include:

- Manufacturing, assembly, and control task lists
- Acceptance and rejection criteria
- The authorizations of the persons involved to carry out operations
- Detailed instructions for special operations
- Monitoring of key parameters

A routing sheet or similar document listing each operation to be carried out, must accompany the products through the manufacturing and assembly processes. These sheets must be signed by each operator, who must ensure that all the previous operations have been carried out.

All of these documents must mention the product name, ID (part number, serial number, batch number), referenced documents (drawings), and production line configuration, and must be available to LYNRED at all times.

8.2.3 Special processes

If the SUPPLIER performs or subcontracts special processes, aeronautics-industry accreditations will be required to demonstrate sufficient control of the special processes.

The SUPPLIER must enter into a specific agreement with LYNRED prior to subcontracting any special processes.

A SUPPLIER procedure or NADCAP (National Aerospace and Defense Contractors Accreditation Program) approval must be in place identifying and qualifying any so-called special process. The SUPPLIER must submit the qualification report to LYNRED. Before making any changes to special processes, the proposed changes must be submitted to LYNRED with an explanation of the benefits of the change and confirmation that there will be no adverse effects on the process outcomes.

The SUPPLIER must:

- Verify that all aspects of special processes produce repeatable results
- Identify the significant operations and process parameters to be controlled during production
- Verify special processes by manufacturing one or more sample parts under the same conditions that have been determined for the volume-production phase
- Maintain an up-to-date list of qualified special processes

Any customer-specific or special regulatory requirements will be indicated on LYNRED orders; the SUPPLIER must conform to these requirements.

8.2.4 Services, supplies, and working environment

Services and supplies that affect quality, such as water, compressed air, electricity, and chemicals used in production, must be controlled and checked regularly to ensure that their effect on the process is consistent.

And, if the work environment has a significant impact on product quality, the SUPPLIER must ensure that the appropriate limits on parameters like temperature, humidity, and cleanliness and the means to monitor and control these parameters are in place.

8.2.5 Identification and traceability

The SUPPLIER must have a system for tracking products throughout the production process from receipt to delivery and, if applicable, of the raw materials used as well.

The SUPPLIER must maintain full traceability of all materials used in products to be supplied to LYNRED. The SUPPLIER must also ensure that the raw materials used can be traced back to the incoming inspection batch and original manufacturing batch, and that information on the processing conditions can be recovered.

The SUPPLIER must be able to recover the following information for each manufacturing batch:

- The associated control/inspection records
  - The equipment and settings used in manufacturing and control/inspection operations
  - Which employees were involved in manufacturing the batch
  - Manufacturing and control/inspection dates
  - The associated LYNRED order
- **Retrieve data and reconcile with other data sources, such as scrap, testing, shipping, and returns.**
- **Conduct "Top-Down" traceability research:**
  - **Input data: finished products or sub-assembly batch number, serial number or shipment**
  - **Output Data: Batch or serial numbers of raw materials and components used in the finished product, whether the product is manufactured as a prototype, mass production or service (spare) part.**
- **Conduct "Bottom-Up" traceability research:**
  - **Input data: batch, serial number or shipping information of a raw material or component.**
  - **Output data: assembly lot or serial numbers of finished products produced or sub-assemblies, and information indicating whether the items have been tested, scrapped, warehoused, shipped or returned.**
- **Containment, by electronic and/or manual means, to protect downstream processes and customers from receiving suspect products.**

The SUPPLIER must draw up a procedure explaining the traceability maintenance system in place. This procedure must be communicated to LYNRED if requested.

8.2.6 Manufacturing equipment

The SUPPLIER must have formal procedures for identifying, checking before each use, maintaining, and periodically inspecting manufacturing equipment. These verifications must be logged and the logs provided to LYNRED upon request.

Manufacturing equipment must be stored in such a way as to protect it from degradation and accidental damage.

9 IMPROVEMENT

9.1 GENERAL INFORMATION

To meet LYNRED's requirements, and consequently, the requirements of LYNRED's customers, the SUPPLIER must implement a quality policy based on the following principles:

- Customer satisfaction: The SUPPLIER must evaluate performance of the manufacturing and control processes used to ensure customer satisfaction.
- "Zero defects, zero claims": The SUPPLIER must systematically seek to achieve continuous quality improvement through as many error detection and prevention strategies (fool-proofing, poka-yoke) as possible and through rigorous problem solving and controls to reduce the variability of manufacturing process parameters.
- Quality performance: Quality and service performance must be obtained in economic conditions that are globally competitive and profitable.
- 100% on time deliveries

9.2 PROCESSING NON-CONFORMITIES

9.2.1 Detection by the SUPPLIER

Defective products in the SUPPLIER's production process must be identified, labeled, and separated from the other products. Defective parts must not be mixed with acceptable parts and only parts in conformity with the terms of the contract will be shipped.

In exceptional cases, LYNRED may accept defective products. However, LYNRED must approve this in writing beforehand. This approval must be recorded and tracked.

Products for which an exemption has been obtained must be clearly identified as such before they are shipped to LYNRED.

These exemptions are only valid for the quantity specified in the exemption signed by LYNRED.

If products likely to be affected by a non-conformity have already been delivered, the SUPPLIER must inform LYNRED immediately.

LYNRED will then inform the SUPPLIER of the procedure to use going forward.

9.2.2 Defect detection by LYNRED or LYNRED customers

LYNRED will check the products delivered for *product ID, quantity, packaging, and damage during shipping*. LYNRED also completes quality controls upon receipt of the products.

If a SUPPLIER non-conformity is detected, LYNRED will send a written report (FR) to the SUPPLIER, and will return part or all of the batch delivered to the SUPPLIER. Parts that are rejected will be returned to the SUPPLIER in the agreed-upon manner at the SUPPLIER's expense.

The SUPPLIER agrees to analyze each deviation/non-conformity and to respond to each deviation/non-conformity using an 8D or similar problem-solving report.

If non-conforming parts are returned, LYNRED will come to an agreement with the SUPPLIER on whether it will be:

➔ A return for credit

➔ A return for rework or replacement

If a batch of products is returned for credit, the SUPPLIER will issue a credit note to LYNRED on receipt of the FR and the non-conforming products.

If a batch of products is returned for remanufacturing (rework, sorting, repairs, etc.), upon receipt of the FR and the non-conforming products, the SUPPLIER will recommend a solution for bringing the products into conformity to the quality contact at LYNRED and propose a new delivery date to the supply contact at LYNRED.

=> Rework or replacement time: 1 week

For subcontracted parts, non-conforming products are disposed of at LYNRED. A credit request in the amount of the cost of the service will then be sent.

For all non-conformities, the payment of additional costs associated with managing the non-conformity (production stoppage, added value, internal sorting, management of the non-conformity, other costs, etc.) will be required of the SUPPLIER depending on the impact of the non-conformity on LYNRED or LYNRED's customer.

The SUPPLIER agrees to immediately take all the necessary steps to determine and correct the cause of the non-conformity on the SUPPLIER's production line to ensure that subsequent deliveries are not affected by the known problem.

The SUPPLIER must send to LYNRED:

- a 4D report within 24 hours
- a 6D report within 7 days
- an 8D report within 14 days

1) Immediate corrective containment action (4D)

The SUPPLIER must respond, take immediate containment measures within 24 hours of the complaint (or after receipt of a part in the event of a defect that is difficult to analyze), and send a report.

1. Identify the problem
2. Take actions to secure production
3. Set up a team
4. Search for causes

2**) Corrective actions (6D)**

Within 7 days of the complaint (or after partial receipt), the SUPPLIER must:

- Identify and verify the root cause (occurrence and non-detection) by reproducing the defect.
- Identify corrective actions, implement a corrective action plan to prevent occurrence and non-detection, and verify the effectiveness of the actions through exhaustive scheduling.
- Send a written report.

3) Ongoing corrective action and prevention of recurrence (8D)

The SUPPLIER must also investigate and implement preventive measures, confirm that the problem has been successfully resolved, and write an 8D report within 14 working days of the complaint (or after receipt of the part).

9.2.3 Reworked products

Before reworking a product, the SUPPLIER must obtain LYNRED's authorization.

LYNRED will first assess the risk of using a product reworked by the SUPPLIER to the performance of the finished product.

LYNRED may request qualification of the reworked product.

LYNRED's decision will be sent to the SUPPLIER in writing. Before shipping, products reworked by the SUPPLIER must be identified with the batch number and part number and accompanied by the LYNRED document approving the rework.

Failure to do so may result in the parts delivered being considered defective.

9.3 CONTINUOUS IMPROVEMENT PLAN

If a SUPPLIER produces poor results, a continuous quality improvement plan will be required.

If the ppm is higher than expected, the SUPPLIER will:

- Immediately take urgent action to contain problems and maintain on-time deliveries of good parts
- Propose a quality improvement plan to LYNRED to solve the problems through continuous actions so as to reach the target performance as soon as possible

Even if the expected level of quality has been reached, it is the SUPPLIER's responsibility to secure deliveries to LYNRED.

9.4 SUPPLIER PERFORMANCE MEASUREMENT

LYNRED classifies its SUPPLIERS into 3 categories: A/B/C

- A: The SUPPLIER is considered critical, and LYNRED will monitor the SUPPLIER's progress closely.

A SUPPLIERS will be evaluated twice a year using LYNRED's TQRDCE analysis:

- Technical
- Quality
- Responsiveness
- Delivers on time
- Cost
- Ethics and environment

A summary of the analysis will be sent to the SUPPLIER.

- B: The SUPPLIER is critical, and will be assessed mainly on two criteria:
  - OTD (the service rate is calculated per order line item, which means that in the case of partial delivery of an order line item, only the delivery time of the last delivery closing out the order line item is used in the OTD calculation).
  - Ppm (non-conformity rate expressed in ppm).
- C: The SUPPLIER is monitored for SUPPLIER risk.

At the end of this evaluation, LYNRED asks its SUPPLIERS to provide an improvement plan for the remarks made. The SUPPLIER is responsible for monitoring and improving SUPPLIER performance.

9.5 ESCALATION PROCESS

The escalation process is initiated in the event that the improvement cannot be organized by the standard supplier team. In the event that an escalation is triggered, the supplier's management must positively participate in the task and try to resolve it. In the event that the supplier receives a complaint from LYNRED, a visit or meeting with LYNRED will be possible.

The following escalation sequence applies:

- regular quality meeting

- unplanned quality audit

- senior management meeting

- new business pending

- phasing out

9.6 AUDITS

The audit can be done in the form of system audit, process audit, product audit. The date of the audit will be fixed in agreement with the SUPPLIER. Following the audit, a report will be sent and the corresponding action plan must be communicated in writing to LYNRED within the time frame negotiated with LYNRED.

SUPPLIERS must audit their manufacturing process to validate their effectiveness and performance, and ensure that controls are in place to meet LYNRED specifications and requirements.

SUPPLIER auditors must be qualified at least according to the following requirements:

- Automotive process approach including the risk approach

- LYNRED requirements

- Requirements of ISO 9001 and IATF16949

- FMEA and Monitoring plan according to AIAG/VDA manual

- VDA 6.3 Audit

Product quality should be verified through product audits. Product audits should follow IATF 16949. The volume, testing and frequency should be agreed with LYNRED.

At LYNRED's request, the Third Party Representative or Customers will be permitted to visit any facility related to Supplier's Product and perform audits based on ISO 9001 and/or IATF16949 and/or VDA 6.3. This right will also include audits of the facilities of Suppliers' subcontractors. However, vendors are not obligated to disclose proprietary information without entering into nondisclosure agreements.

9.7 ANNUAL REQUALIFICATION

The stability of product quality must be ensured by annual requalification. The volume, and the tests to be carried out must be agreed with LYNRED.

9.8 NON-QUALITY COSTS

Processing non-conformities generates non-quality costs. LYNRED's Terms of Purchase must be adhered to unless the parties have signed a special agreement.

If the SUPPLIER is found to be responsible for the non-conformity, LYNRED will issue a credit note request.

10 PURCHASING REQUIREMENTS

The business relationship between LYNRED and the SUPPLIER will be conducted in accordance with LYNRED's Terms of Purchase.

11 LOGISTICS REQUIREMENTS

11.1 FIRST IN, FIRST OUT (FIFO)

The SUPPLIER must adhere to a strict first in, first out procedure for the management of all materials.

11.2 CAPACITY PLANNING

Capacity planning for tools, production lines, and personnel training must be done in advance and verified by the SUPPLIER to ensure that the volumes forecasted by LYNRED can be manufactured. If LYNRED forecasts or orders exceed the SUPPLIER's capacity, the SUPPLIER must immediately contact the LYNRED supply chain contact and recommend an alternative solution.

11.3 FORECASTS AND ORDER INITIATION

LYNRED will make every effort to provide the SUPPLIER with the most reliable information possible as often as possible. LYNRED plans production based on customer forecasts and orders and smooths out production to fit its own production capacity. If a new forecast or order is provided, it always replaces the previous version. It is the SUPPLIER's responsibility to review forecasts and orders, and to identify any problems and notify LYNRED within two days.

The LYNRED Extranet and email are LYNRED's preferred communication channels. The SUPPLIER will be informed of forecasts and delivery times via these communication channels.

11.4 CONFORMITY OF DELIVERIES

LYNRED requires 100% on-time delivery, service, and conformity from all its SUPPLIERS. It is the SUPPLIER's responsibility to ensure that products are available in the right place at the right time. In all cases, the SUPPLIER must make the necessary arrangements to ensure that products are shipped in accordance with the order schedules at all times, even during holidays or shutdowns.

LYNRED reserves the right to refuse any delivery that does not comply with logistics requirements. Failure to comply with these requirements may also result in LYNRED debiting the SUPPLIER's account for any costs incurred.

Deviation from § 7.4 ACCOMPANYING DOCUMENTS may result in an FR (Failure Report) notifying the SUPPLIER of the deviation. This will be considered a document non-conformity, and the SUPPLIER will take the necessary action to identify the cause in the SUPPLIER's administrative process so as to ensure that subsequent deliveries will not be affected by the known problem.

11.5 STORAGE AND PACKAGING

The product must be maintained in good condition at every step of the manufacturing process and during shipping. It is the SUPPLIER's responsibility to store components, work-in-progress, and finished products in appropriate temperature, humidity, gas, vacuum, and cleanliness conditions.

All goods must be stored in such a way as to be protected against loss, theft, damage or deterioration of their physical properties.

The SUPPLIER must provide suitable packaging unless otherwise indicated by LYNRED.

The SUPPLIER must use the packaging indicated by LYNRED, if any. For sensitive or electronic products, any special agreements between LYNRED and the SUPPLIER will be considered the requirements for the SUPPLIER, especially with regard to packaging and packing.

Electronic equipment must be packed with ESD (Electrostatic Discharge) protection according to the applicable standards.

For products that require special storage, handling, or shipping procedures (e.g. assembly instructions, moisture-proof plastic parts, ESD-sensitive parts) to avoid altering their properties, the SUPPLIER must provide any necessary instructions in writing.

All products must be labeled. Labels must allow the products/packaged units to be easily identified and eliminate any confusion or the possibility of mistaking one product for another. Labels must be affixed to the outer packing and unit packaging material (reel, individual box, and individual bag).

Labels on unit packages must contain at least the following information:

(i) LYNRED part number

(ii) Batch number for each part number

(iii) Quantity for each part number

(iv) Production date

(v) The use-by date

(vi) The SUPPLIER's name

(vii) The version of the product or drawing

(viii) A barcode (or QR code) for the batch number

(ix) The order number

(x) Any other details requested by LYNRED

Labels on the outer packing materials must include:

i. LYNRED part number
ii. Quantity for each part number

Furthermore, because the products must be documented, the SUPPLIER must ensure that the traceability of parts is possible even after volume manufacturing is discontinued. This traceability is provided by product labels and documentation maintained so as to ensure that part-specific product data can be verified for at least twenty (20) years after the goods are commercialized.

Samples, prototypes, initial samples, or products shipped for special approval must be identified and separated from other products (volume-manufactured products). These products must be labeled with colored labels and must be shipped/stored separately from ordinary products.

A full cardboard box **must not exceed 10 kg**. The cardboard packaging must be recyclable.

12 ETHICS, ENVIRONMENT, HEALTH, SAFETY

12.1 ETHICS REQUIREMENTS

The SUPPLIER guarantees full compliance with the LYNRED code of ethics provided by LYNRED. The SUPPLIER questionnaire will be one of the means by which compliance with the code of ethics is assessed.

With regard to conflict minerals, LYNRED's products and manufacturing process must comply with the regulations on minerals from conflict zones. LYNRED is committed to responsible sourcing and considers mining activities that support armed conflicts as unacceptable.

Therefore, LYNRED is committed to working with its SUPPLIERS to implement policies and procedures that allow them to provide all of the necessary information so that LYNRED can make appropriate and accurate disclosures when necessary.

This means that the SUPPLIER must, for each product supplied to LYNRED, complete and return to LYNRED the Conflict Minerals Reporting Template (CMRT), which can be found, along with training materials, at www.conflictfreesmelter.org. The CMRT must be completed at least once a year.

12.2 ENVIRONMENTAL REQUIREMENTS

LYNRED limits its environmental impacts as much as possible. This includes all aspects relevant to LYNRED's business, such as the management of energy, water, chemicals, waste, and effluents and emissions, and, in particular, greenhouse gas emissions. LYNRED's manufacturing facility has been ISO 14001 certified since 2005 and adheres to all laws and regulations in force in France and Europe.

LYNRED's products and manufacturing process must comply, without limitation, with:

- The EU Restriction of Hazardous Substances Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (commonly known as RoHS, latest version in force).
- The European Registration, Evaluation, Authorisation and Restriction of Chemicals (commonly called REACH, latest version in force). All products delivered must comply with: EC 1907/2006.
- **The Global Automotive Declarable Substance List (GADSL) : GADSL is available at the following internet address:** https://www.gadsl.org/
- CE marking.

The SUPPLIER must comply with all applicable regulations and provide certificates of conformity and any additional information and data necessary for LYNRED to keep its own commitments for any product delivered. This information will be updated regularly and, at the very minimum, any time one of these regulations is updated.

A LYNRED contractor has been tasked with contacting SUPPLIERS to obtain the necessary certificates of conformity. Therefore, the SUPPLIER is asked to respond within the timeframe requested by this contractor and to provide the necessary REACH, RoHS, and RoHS China information.

The SUPPLIER agrees to send its SCIP number (ECHA declaration number for parts containing substances of concern) to LYNRED as soon as it is known.

The supplier is required to declare all substances listed as "declarable" or "prohibited" as specified in the GADSL.

Production goods and their complete composition must be declared in the "International Material Data System" (IMDS) and must be accepted by LYNRED. IMDS access is available under the following internet address: https://www.mdsystem.com/

LYNRED strongly recommends that the SUPPLIER obtain ISO 14001 certification and take measures to reduce greenhouse gas emissions.

LYNRED's Quality Safety Environment (QSE) policy includes environmental commitments based on:

- Promoting sustainable design
- Protecting the environment and preventing pollution
- Preparing responses to emergencies
- Developing an environmentally-sustainable culture

LYNRED also asks that SUPPLIERS commit to the LYNRED priority of promoting sustainable design and to a second environmental priority related to LYNRED's priorities and to provide LYNRED with proof of these commitments.

SUPPLIERS are expected to report carbon emissions, provide targets and a detailed action plan in line with LYNRED ambitions.

12.3 HEALTH AND SAFETY REQUIREMENTS

ISO 45001 is the international standard for occupational health and safety (OH&S) management systems. This standard lays the groundwork for an organization to control occupational health and safety risks and encourage employee involvement.

LYNRED strongly recommends that SUPPLIERS obtain ISO 45001 or a similar certification.

LYNRED's Quality Safety Environment (QSE) policy includes OH&S commitments based on:

- Preventing repetitive strain injuries and psychosocial risks and improving working conditions
- Preventing chemical risks
- Preparing responses to emergencies
- Developing a health and safety culture

LYNRED asks SUPPLIERS to commit to two areas related to the above topics and to provide proof of this commitment to LYNRED.

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