

BAUD SUPPLIER MANUAL

Version 3



*We must be the best and work with the best
Marcel BAUD, founder of BAUD Industries*



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I. Purpose, Scope, and Responsibility

BAUD Industries applies its expertise to serve some of the world's most demanding domains and companies. Our production is systematically oriented towards "zero defects," and our quest for improvement is perpetual. In this endeavour, the role of our suppliers is crucial.

This manual aims to define the foundation of commercial relationships and quality requirements between BAUD Industries and its worldwide suppliers.

It is the supplier's responsibility to establish and maintain a Quality Management System that ensures compliance with the requirements of this manual.

II. Values of BAUD Industries

Every company has its own history and values. It is the meeting and alliance of these different values that allow for great achievements.

In order to build excellent relationships with our suppliers and better understand our approach, we believe that it's important to share the values that drive us and dictate our daily approach to the tasks we have to carry out:



"Respect for oneself, others, the environment, and processes inspires the daily behaviour of all."

"Excellence is an art achieved only through constant practice."

"The key to our success would be the innovation that improves attractiveness and performance while reducing costs."

"We achieve great things through passion."

III. Respective Responsibilities for the dissemination of the BAUD Supplier Manual

A. Responsibilities of BAUD Industries

The Purchasing Department of BAUD Industries ensures that the latest version of the BAUD Supplier Manual is disseminated to our suppliers. Changes from the previous version are highlighted in yellow.

B. Responsibilities of the Supplier

The supplier shall designate an internal contact for communication regarding the BAUD Supplier Manual. The supplier must ensure that BAUD Industries has contact details of the person to whom a new version of the BAUD Supplier Manual should be sent.

It is the duty of the internal contact at the supplier to ensure that the BAUD Supplier Manual is disseminated to all relevant personnel. The same applies to the dissemination of new versions. In the event of a change of contact, it is the supplier's responsibility to provide us with the new contact details.

Finally, the supplier must sign and return the "Supplier Agreement signature sheet" in Annex A to the Purchasing Department of BAUD Industries. Failure to return Annex A is considered full acceptance of this Manual by the supplier.

C. Management of Changes to the BAUD Supplier Manual

When a new version of the BAUD Supplier Manual is issued, the Purchasing Department of BAUD Industries makes sure that it is distributed. The supplier is not responsible for ensuring they have the correct version of the BAUD Supplier Manual.

D. Validity and Termination Conditions

Once the "Supplier Agreement signature sheet" (Annex A) is signed, the agreement by which the supplier accepts all conditions and requirements of the BAUD Supplier Manual is valid for an unlimited period. This agreement can be terminated by the supplier in writing with reasonable notice.

IV. Commercial Requirements

A. Selection, Approval, and Monitoring Process

i) Supplier Selection Criteria

A supplier location that does not supply BAUD Industries is considered out of the panel. To enter the panel, a supplier location must meet the following criteria:

- Financial analysis to assess its financial stability.
- At a minimum, certified to the latest applicable version of ISO 9001 and demonstrating the intent to meet the requirements of the IATF 16949 standard (also in its applicable version) in the case of manufacturing products for the automotive industry.
- Compliance of materials and services with current safety and environmental regulations.
- Existence of a cost reduction policy (e.g., transport, non-quality, price reduction, etc.).
- The potential new supplier is evaluated using a BAUD Industries questionnaire.
- And/or
- BAUD Industries may also decide to evaluate a supplier process through a Process or System audit. The goal is to identify the potential supplier's industrial risks.
- Based on the responses and evaluation, a decision is made whether to integrate them into the panel.
- Capability to support our international development.

ii) Approval Rules for Supplies

Only materials, components, and subcontracting are approved after crosschecks, tests, and validation of the Supplier release documentation.

This approval phase ensures the required quality level is met from the start of serial production.

Generally, this phase is done into 5 stages:

Stage 1 :	Initialization	→	Pre-selection of the supplier (RFQ sent)
Stage 2 :	Global Design	→	Supplier selection (specifications sent)
Stage 3 :	Detailed Design	→	Supplier order (approval file)
Stage 4 :	Initial Samples	→	Product/Process validation
Stage 5 :	Serial Production Launch		

Depending on the project and product type, stage 1 can be omitted.

For automotive products, suppliers must use the APQP approach.

Phase 1: Supplier Pre-Selection

The Purchasing Department selects potential suppliers based on periodic evaluations, panel ranking, and specified requirements.

Phase 2: Supplier Selection and Nomination

The Purchasing Department sends pre-selected suppliers a requirement file created by the project team, which includes:

- Customer product specifications and standards
- Special characteristics and their significance
- Quality and Logistics objectives: 0 ppm, 100% OTD systematically

The project team selects the supplier by:

- Analysing the quality of the supplier's responses and their reliability
- Assessing the relevance of the received quote
- Evaluating the strengths and weaknesses of potential suppliers (risk analysis including financial aspects)

Once the supplier is selected, the Purchasing Department issues an order for the approval file.

Phase 3: Supplier Order

This order may include tooling, prototypes parts, and PPAP parts.

Phase 4: Initial Samples

BAUD Industries asks its suppliers to implement their project planning approach in line with the deliverables and deadlines expected by BAUD Industries. Suppliers are responsible for the development and project management with their own suppliers impacting the quality of their products and services delivered to BAUD Industries.

Special characteristics symbols issued by BAUD Industries, provided at the project order stage, must be included in all quality documentation of the supplier: internal drawing, process FMEA, control plan, work instructions, etc. Personnel must be trained on the meaning of these symbols and the inherent risks of these characteristics. During product/process development, the Supplier Approval File must be validated by the Quality Department of the BAUD Industries customer plant. The main elements are specified in the submission certificate.

Process Audit Validation by BAUD Industries :

BAUD Industries may conduct a Process Audit using its own reference or the one requested by the final customer, depending on project complexity.

The rating rules are specified in the audit questionnaire used.

Final product/process validation is declared following the acceptance of the approval file and the success of the process audit, if conducted.

Phase 5: Serial Production Launch

Serial production launch is effective upon product/process release, which authorizes the order.

When required, the supplier shall return the initial submission certificate, endorsed and accompanied by the required documents specified in the submission certificate. Those listed in the table below correspond to the minimum required for the qualification of a supply according to its type:

Supply Minimum Approval Criteria:

Supply	Minimum approval criteria
Raw material	<ul style="list-style-type: none">• Part Submission Warranty Certificate signed (PSW)• Raw material certificat• IMDS Registration (if applicable)• For gold suppliers for watchmaking and jewelry: Responsible Jewellery Council Code of Practices (CoP) and Chain of Custody (CoC) Certificate + transfer document as per RJC - CoC chapter 8
Component	<ul style="list-style-type: none">• Part Submission Warranty Certificate signed (PSW)• IMDS Registration
Technical or Capacity Subcontracting	<ul style="list-style-type: none">• PSW signed• IMDS Registration (if applicable)• ISO/IEC 17025 Certificate for laboratory services
Chemical Product	<ul style="list-style-type: none">• Safety Data Sheet (SDS)

iii) Orders, Deliveries, Invoices, and Payments

All orders shall be validated by an acknowledgment confirming the quantity and deadline. If not done within 48 hours, the order is considered accepted.

Unless previously writing agreement with the Buyer, the Vendor is not authorized to manufacture or deliver the ordered quantity before the confirmed delivery date.

In same way , Vendor is not authorized to deliver without a formal order number . If no respect of this rule , no payment will be done .

Deliveries must be made in compliance with the delivery conditions stated on the order and the agreed Incoterm. The original shipping documents must be sent with the delivery and the invoice with all the details required by law and the purchaser's order.

Payment terms are those stated on the order, validated by an acknowledgment.

Invoices has to be send to the plant who put the order (only one document) to above e-mail address

SITE BAUD	Mail address
BAUD DIMEP	suppliers.dimep@BAUD-industries.com
BAUD Industries SAS	suppliers.BAUDsas@BAUD-industries.com
BAUD SERVICES	suppliers.BAUDservices@BAUD-industries.com
BAUD JTD	suppliers.jtd@BAUD-industries.com
BAUD MICRO	suppliers.micro@BAUD-industries.com
BAUD VOUGY	suppliers.vougy@BAUD-industries.com
BAUD INDUSTRIES SUISSE	suppliers.bis@BAUD-industries.com
BAUD STE CROIX	suppliers.saintecroix@BAUD-industries.com
BAUD TECHNOLOGY SOLUTIONS	suppliers.bts@BAUD-industries.com
BAUD FILLINGES	suppliers.fillinges@BAUD-industries.com

Invoices are paid by BAUD Industries within 45 days end of the month, subject to agreed delivery and service conditions.

iv) Quality Documentation & Delivery Note

A delivery note specifying the order number is required for each delivery.

For suppliers of materials and surface or heat treatment, it must be accompanied by a certificate of conformity (physical or electronic).

For treatment providers, if all the following conditions are met:

- Keep traceability data for one year.
- Commitment to inform us in the event of a problem detected by means of a derogation request addressed to the quality department of the BAUD Industries location concerned (impacted),
- Indicate on the DN :
 - o Material grade: standard in which the product is delivered
 - o Type of treatment
 - o Our requirements for the treatment in question (thickness, hardness, etc.)
 - o Authentic conformity status based on the application of your monitoring plan.

However, we authorise you not to systematically send the certificate of conformity with the delivery. In the event of a specific request, it must be provided within 4 hours of the request.

v) Delivery Deadlines and Delays

The supplier's acceptance of the order implies its irrevocable commitment to respect the delivery deadlines and dates defined in the order.

The delivery periods and dates indicated in the order are essential and may not be modified without the written and signed agreement of both parties.

Early deliveries shall only be authorised with the prior written agreement of BAUD Industries.

The supplier shall promptly inform BAUD Industries in writing of the detailed circumstances of any event likely to delay the execution of the order, without however being able to claim as a result an extension of the delivery period. The supplier shall make all reasonable efforts to minimise delays in deliveries as well as the consequences of such delays.

In the event of non-compliance with delivery deadlines, except in cases of force majeure, BAUD Industries shall have the right to cancel the order without the supplier being able to claim any indemnity or compensation and without prejudice to the rights of BAUD Industries to claim compensation for damages, losses or prejudices suffered as a result of the delay if the planned delivery took place too late in relation to its needs.

vi) Jurisdiction Allocation

Contracts are governed by French law. In the event of a dispute, the parties will seek conciliation, possibly through their respective professional organisations.

If this conciliation proves impossible, the dispute will be submitted to the commercial court of the site concerned.

Parts returned under guarantee are treated in the same way.

B. Continuous Improvement

BAUD Industries encourages all its suppliers to implement continuous improvement methods, in order to effectively meet our cost reduction requirements and limit our consumption of natural resources.

C. Communication, Property & Confidentiality

Any diagram, drawing, equipment, prototype, forecast, document, data, or any other material and/or information supplied by BAUD Industries, or supplied by the supplier but paid for by BAUD Industries as part of the price of the products, shall be considered as confidential information belonging exclusively to BAUD Industries.

The supplier agrees to consider as strictly confidential any material and/or information belonging to BAUD Industries disclosed for the purposes hereof and to prevent any communication or disclosure of the material or information to a third party without the prior written consent of BAUD Industries.

Any written or oral communication or any publication concerning the order or its contents shall not be made without the prior written consent of BAUD Industries.

D. Security Plan for Automotive Parts Suppliers

The supplier undertakes to provide a security plan covering all situations that could slow down or even stop its production for BAUD Industries so that the planned deliveries can be carried out within the deadlines and with the level of quality defined.

Details of what is expected of the security plan:

- It must be available for consultation on the supplier's site
- It identifies and assesses internal and external risks for all manufacturing processes and infrastructure equipment essential to maintaining production output and ensuring compliance with our requirements.
- Take into account the risks and impacts for the final customer
- Ensure continuity of supply in the following situations: failure of key equipment, line stop due to products, processes or services provided by external service providers, natural disasters, fires, interruptions to certain utilities (water, electricity, gas, etc.), labour shortages, etc.
- Include provisions for validating the manufactured product after production has been restarted following emergency situations in which production has been halted without complying with regular shutdown procedures.
- Include any impacts related to climate change. These situations must be taken into account in the management of emergency situations.

The Supplier shall provide a system for notifying BAUD Industries of emergency situations.

E. Provision of Tools and Measuring Equipment

All tools and measuring equipment owned by BAUD Industries and loaned to a supplier must be duly identified by the supplier.

The supplier also has full responsibility for the conditions of use and maintenance and **calibration of** the equipment, including its replacement in the event of failure, breakage or theft.

F. Supplier tracking

The quotation is established every month for the following purchasing families: MATERIAL, COMPONENTS, BLANKS, SUBCONTRACTING, HEAT TREATMENT, SURFACE TREATMENT, **QUALITY CONTROL and LABORATORY SERVICES (including calibration)**

Unless there is a more specific product agreement (see paragraph f), the supplier undertakes to take as its basic objective:

1. Quality criteria

The criteria taken into account are:

- Quality incidents according to their importance (minor, major)
- Recurrence

Objectives:

100% compliant deliveries ("zero PPM" quality) and no through incident (not detectable by BAUD Industries and arriving at our customers' sites).

Deadline for responding to complaints respected (< 1 day for security).

2. Logistical criteria

The criteria taken into account are:

- Timeliness
- Supply disruption to customer factory
- Internal supply disruption

Objective:

100% on-time deliveries (100% service rate), with zero impact on the end customer (no line stops, no express transport).

3. Optimization criteria

The non-ISO 9001 certification aspect is a criterion of demerit.

The desire to improve quality (for example through the quality of incident responses) and the strong consideration of our customer's requirements, are criteria for improvements.

The desire to improve CSR criteria (ISO 14001 certification, reduction of CO2 emissions)

Commercial relations (respect, transparency, collaboration, etc.)

At the end of the year, the Purchasing Manager evaluates the suppliers. The panel of suppliers for the coming year is then established and possibly presented to the group's management review. The choice of suppliers for the following year will then be oriented towards those who have obtained an A evaluation.

Any supplier or subcontractor noted:

- "C" Depending on the strategy and importance of the products delivered, an on-site audit may be scheduled. A resourcing of certain articles may be considered
- "D" may be removed from the panel after a decision by the Purchasing Director. In any case, he will no longer be consulted for new cases.

A *top/worst* is also developed at the same time by the Purchasing Director in conjunction with the Quality Department. Actions are taken when necessary: visit, deletion of development commands, auditing or stopping commands.

If you would like to obtain details about your annual evaluation, do not hesitate to contact our Supplier Purchasing Quality Department.

V. Quality Requirements

A. Management System

The Supplier must develop, implement and improve a Quality Management System, certified to ISO 9001.

For Suppliers providing products for the automotive industry, the final objective is IATF 16949 certification. They must also require their suppliers to implement the same quality approach.

The Supplier must guarantee that calibration and testing activities are carried out or subcontracted to bodies certified to ISO / IEC 17025.

If this is not the case, a plan to improve compliance will be presented to BAUD Industries.

In the event that a supplier is not at least ISO 9001 certified but is required to provide a service for automobile production, a process audit shall be carried out by BAUD Industries in order to accept its entry onto the supplier panel.

Each BAUD Industries supplier must be committed to protecting the environment and improving the health and safety of its employees, as specified in our Responsible Purchasing Charter.

BAUD Industries encourages and gives preference to suppliers with certified environmental and safety management systems, such as :

- ISO 14001 for environmental management
- ISO 45001 for occupational health and safety management

B. Audit

The supplier authorises BAUD Industries to come and verify that the requirements set and approved by both parties are met by means of process, system or product audits.

The supplier allows BAUD Industries and, if necessary, its customers, access to all premises and quality documents deemed relevant in the context of an inspection. Of course, the provider can request that certain information be kept confidential.

The results of the audit will be transmitted to the supplier on the day of the audit and, if any action is necessary, an action plan must be immediately opened by the supplier, implemented within the given deadline, and BAUD Industries must be kept informed of the results.

C. Information & Documentation

In the event that the supplier discovers that quality requirements, quantities or delivery times cannot be met, it must inform BAUD Industries as soon as possible.

It is BAUD Industries' responsibility to inform the Supplier of all legal and regulatory requirements, as well as all the special requirements and characteristics of the process and/or the End Customer. However, it is the responsibility of the Supplier to alert us in the event of a misunderstanding on its part and/or a point to be clarified.

It is the responsibility of the Supplier to disseminate these requirements within its company as well as throughout the rest of the supply chain at the relevant manufacturing point(s).

D. Record Management

The supplier must carry out checks and records guaranteeing the quality of the product or service delivered.

He must also keep the launch documents as well as the records of all the inspections carried out during a period set by default, and without any indication to the contrary by BAUD Industries, at least one year. Depending on the products and the requirements of the end customer, this period can be longer.

In any case, any certificate of conformity and **registration concerning an automotive product** must be kept and usable for a minimum of 15 years. It is the responsibility of BAUD Industries to inform the supplier of the automotive products but, in case of doubt, it is the responsibility of the Supplier to ask us whether it is an automotive product or not.

In the event of a request from BAUD Industries or one of its customers, the supplier must present the launch parts and the recordings made.

E. Acceptance of Products and Processes

The products must comply with the requirements agreed by both parts through the order **or/and for PSW agreement for automotive product**, or with the specifications guaranteed by the Supplier in case of a product sold to other Customers than BAUD Industries.

The Supplier might also be asked to formally communicate the potential risks existing and the possible improvements before the production start so that BAUD Industries can validate them.

In particular, the Supplier commits to strive for “zero defect”.

F. Product Contract

In the event that the commitments required in this manual are not suitable, a product contract covering very specific logistical and/or quality aspects (number of ppm, etc.) could also be drafted and submitted to the supplier, **and validated by the 2 parties.**

G. Process Modification

Once BAUD Industries has validated a process with a supplier, the latter cannot modify it without first obtaining the written agreement of BAUD Industries, even if it is a process not solely dedicated to BAUD Industries.

There are 2 categories of change requests:

- A request for a permanent modification
- A request for a temporary modification (deviation)

i) Temporary Modification

If the products have not been manufactured according to the qualified Process or are out of specification but are functional and acceptable, a temporary modification can be requested from the BAUD Industries customer site. This deviation request must include the defined period or the quantity of products concerned. It should reveal the reasons for the non-compliance and the action plan to address the problem. The products concerned by this deviation can only be delivered to BAUD Industries after its agreement has been formalized.

ii) Permanent Modification

The Supplier is obliged to communicate any product/process modification to BAUD Industries and to obtain the written agreement of the BAUD Industries Quality Department before implementing the requested modification. The request must be submitted 6 weeks before the planned implementation.

The following list provides examples for which a change request is required.

MACHINE:

- Modifications made to the machines, tools or control jigs used to produce or inspect the products
- Change of manufacturing location
- Process outsourcing
- Reintegration of a subcontracted Process
- New machine, new tooling
- Modification of the production process of a machine, a tooling
- Modification of a control means

METHOD:

- Changes made to the way products are produced, delivered or controlled, changes that impact the monitoring plan
 - Technical modification with a product or functional impact
 - Workflow Modification
 - Add/Remove/Modify a Process Operation
 - Modifying Process Parameters
 - Modification of the method and frequency of inspection
 - Modification of the conditions of transport or storage

MATERIAL:

- Modification made on the material or suppliers n-1
 - Adding a second source
 - Material change
 - Modification of the characteristics of the raw material
 - Changing packaging or labelling

For Automotive product: a detailed list of potential changes that don't need to inform Baud Industries is available if requested by supplier.

H. Production Identification & Traceability

In the event that initial samples (EIs) are requested by BAUD Industries, they must be made under the conditions of mass production (same machine, same means of control, etc.) and submitted within the given deadlines. The start of mass production can then only be done once the acceptance of the ARs by BAUD Industries has been communicated by email to the supplier.

If the supplier is exceptionally unable to deliver parts that meet BAUD Industries' requirements, a deviation request must be submitted.

Any suggestion or advice made by BAUD Industries to improve the quality assurance process or procedures will be taken into account as far as possible by the supplier, and at its sole responsibility.

The supplier must affix the labelling agreed with BAUD Industries to the products and packaging and ensure that it is clearly legible.

In all cases, it is essential that the different batches or references making up the same delivery are clearly identified.

The supplier must set up and guarantee the traceability of the products delivered to BAUD Industries and, in case of quality claim, to be able to trace it throughout its production chain.

Deliveries must be made under the conditions accepted by BAUD Industries (carrier, packaging, etc.). The packaging must be adapted to preserve the quality of deliveries. **In particular, the supplier must comply with the FIFO rules for delivery to our factories**

I. Non-Conformance Management

When a non-compliance is detected, an official claim will be sent to the supplier.

In the case of an "Information" or "minor incident", where the response time will be decided by mutual agreement between the Services

In the event *of a major incident*, the supplier must:

- Submit an 8D report to BAUD industries and document the analysis to prevent any recurrence (according to methodology 5 why and/or Ishikawa)
- The expected phases are:
 - o D1: Dissemination of the incident to the supplier: BAUD Industries
To open 8D and determine Task Force :Supplier
 - o D2: Description of the problem & possible pictures: BAUD Industries
 - o D3: Containment actions (**within 24 working hours**): Supplier
 - o D4: Preliminary Cause Analysis (Occurrence and Detection): Supplier
 - o D5: Final root Causes of Occurrence and Non-Detection(**within 15 working days**): Supplier
 - o D6: Implementation of corrective actions : Supplier
 - o D7: Implementation of preventive actions / Capitalization(lesson learn), update of standards and capitalization (applicable to similar product / process) (**within 30 working days or following the deadline of the action plan**): Supplier.
 - o D8: Closure of 8D : Baud Industries.

- Actions requested **within 24 hours** (D4):
 - For any major incident, it must be the subject of a short-term response defining the containment actions put in place. These must include at least:
 - Inspection of all parts already produced: at the Supplier's premises, at BAUD Industries, in transport and storage platforms, and possibly at the end customer's premises.
 - The BAUD Industries on-site inspection must be carried out by the Supplier's staff or a service provider supported by the Supplier. If necessary, BAUD Industries assists the supplier in setting up security via an external company.
 - Identification of the controlled products with the object of the control clearly specified
- Actions requested within 15 working days (D6)
 - 8D Update with a precise description of the root causes (5 why analysis) and the definitive solutions to be implemented. This means:
 - The root causes of occurrence (why the problem appeared) and non-detection (why it was not detected by the Provider)
 - A description of the short-term actions (until the final actions are implemented)
 - Defining the definitive corrective actions to eradicate the problem (in particular, in the event of human error, defining the specific controls put in place to eradicate this).
 - When the implementation of definitive actions cannot be carried out quickly, the update of the 8D must be done at regular intervals by the Supplier with information to BAUD Industries
- Actions requested **within 30 working days** or according to the deadline of the action plan (D8)
 - Validate the robustness of the actions in place, based on measurable indicators. Formalization of the capitalization of major actions defined, update of FMEA, monitoring plan, etc.

Any unjustified failure to meet these deadlines would result in a penalty at the supplier quotation.

In the event that the detected non-conformity threatens to create a production stoppage at BAUD Industries or its customers, the supplier must make every effort to implement temporary replacement solutions, in coordination with BAUD Industries.

If the measures put in place by the supplier prove to be insufficient or too late, BAUD Industries may use an external service provider at the supplier's expense.

Finally, it is imperative to clearly identify the first delivery of compliant products following the onset of the non-conformity.

J. Non-Conformity Processing Costs

In the event that sorting and/or reworking operations are necessary, 2 options can be offered to the supplier:

1. Invoicing of the hours of sorting and/or alterations carried out at BAUD Industries up to 30€ per hour and per person concerned,
2. Sending temporary workers at the supplier's expense. The number and period concerned will be indicated directly on the notice of non-compliance.

The supplier then has 24 hours, from the date of sending the email containing the notice of non-conformity, to accept or refuse the option proposed by BAUD Industries.

If necessary, the supplier may also offer to carry out the necessary actions by its own means.

In the event of no communication within this 24-hour period, the option proposed by BAUD Industries would automatically be considered accepted and should be duly implemented.

Finally, in the event that the non-conformity generates additional costs (machine downtime at BAUD Industries, line shutdown at the higher-rank customer, etc.), these could then be invoiced to the supplier in proportions that would be discussed and accepted beforehand by both the latter and BAUD industries.

K. Health/Safety/Environment

Each Supplier must comply with the labor, safety and environmental regulations in force in its country. As such, it has all the authorisations to operate its industrial and commercial activities. If these authorisations are withdrawn, the Supplier is obliged to inform BAUD Industries.

The products manufactured and marketed by our Suppliers must also comply with the regulatory requirements in force in the countries of reception, shipment and destination of its customers.

More specifically, Suppliers also undertake to comply with the following requirements:

International regulations

IMDS (International Materials Data System): Provide material data for recording in the IMDS platform

Conflict Minerals: CMRT questionnaire to be completed by the Supplier (see paragraph i below). Others depending on the destinations of the products.

European regulations

European Directive No. 1907/2006 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): in particular, all Suppliers, including their supply chain, must inform BAUD Industries of the presence of substances referenced in the SVHC list in their product, or provide certificates of conformity.

For products purchased outside the EU, the supplier assumes its role as importer. If a product is changed (substitution of an SVHC product), it is obliged to inform BAUD Industries immediately.

The European Directive No. 2002/95/EC RoHS (Restriction of Hazardous Substances) aims to limit the use of ten hazardous substances in electrical and electronic equipment. Suppliers must inform BAUD Industries of the presence of the substances referenced in the list and possible exemptions or provide a certificate of conformity.

BAUD industries gives preference to Suppliers who implement **Corporate Social Responsibility (CSR) policies**, which include, among other things, an anti-corruption policy and a code of conduct for personnel management (respect for gender parity, non-discrimination, compliance with laws, etc.)

To support this approach, BAUD Industries has set up **the Responsible Purchasing Charter**. It is sent for membership to each Provider upon entry into the panel.

L. Conflict-Affected Raw Materials

At the request of our Customers, we require an annual declaration via the CMRT (conflict minerals report template) available free of charge at this address: <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/> concerning the origin of Gold (Au), Tantalum (Ta), Tungsten (W) and Tin (Sn) to all our material and surface treatment suppliers who would use them in the supplies delivered to us.

Similarly, Cobalt and Mica are also concerned via an EMRT questionnaire (form available on the WEB).

No supplies from ou étant suspectée de provenir de zones de conflits reconnues ne sera acceptée par BAUD Industries.

Baud Industries will not accept any product that could come from or suspected to come from conflict areas known.

M. Requalification

For "automotive" products, the supplier must provide an annual requalification of its products (product audit). The BAUD Industries Group accepts a requalification by product family, choosing the most representative item in terms of volume purchased. This annual requalification must include at least:

- Measurement report when appropriate (such as Ep, TS or Hardness as appropriate)
- A salt spray test when appropriate
- A counter-expertise in material analysis when appropriate
- "Specific" tests requested during the initial qualification of the product if applicable

This "annual" requalification must be sent to the quality department of the BAUD Industries site concerned.

CQI Self-Assessment (if applicable)

A CQI self-assessment must be completed annually by Suppliers.

The self-assessment file is filled in in full and is sent to the quality department of the BAUD industries client site. In the event of a deviation, an action plan is defined by the supplier and is sent to the requesting site.

N. Management of Warranty Return Parts

The Supplier must implement a method for analysing guaranteed return parts that can be submitted to it by BAUD Industries.

An 8D report is communicated to BAUD Industries identifying any risks to ongoing production and the containment actions implemented.

The production period of suspect products is delineated and is stipulated in this analysis.

Annex A - Supplier agreement signature sheet

The above-mentioned company acknowledges that it has read and accepted the terms and requirements of the BAUD Supplier Manual Version 3 and undertakes to apply them for the next delivery made for BAUD Industries.

In the event of a request for exemption by certain parties, they are indicated below

Supplier Name & adress:

Contact Person:

Position/email /phone number :

Signature:

Stamp :

Location + Date:

Chapter number	Reason