

Supplier Quality Policy

A. Business Purpose:

Savant Technologies LLC, doing business as GE Lighting, a Savant company (hereinafter called LIGHTING) expects Six Sigma level of quality in its products and to do so requires a corresponding level of quality in the products, parts and materials (“Products”) provided to LIGHTING by Supplier. LIGHTING’s expectation is to receive Products with zero defects. Suppliers are expected to provide defect-free Products in a timely manner to fully support LIGHTING’s production and delivery schedules and to provide process capability data to support the goal of defect-free Products. LIGHTING will continually review and assess all process capability data to assure the continued high quality of incoming Products and adherence to the applicable specifications.

B. Supplier Quality Requirement

Supplier agrees to and shall meet the following requirements to ensure the highest level of consumer satisfaction and applicable regulatory compliance:

1. Approval of Supplier.

Supplier must obtain and agrees to maintain satisfactory results in the Supplier Selection Survey conducted by LIGHTING. The selection criteria include Business Vitality, IP and Legal, Regulatory and Safety, Supplier Responsiveness, Design and Quality System, Manufacturing Process Control Capability, Production and Subtier Supplier Management, and Compliance to LIGHTING Supplier Responsibility Governance (SRG). Obtaining a satisfactory score on the survey shall in no way be construed as a guarantee of business or purchase of minimum orders. The surveys provide only a basis for the discussion of future business relationships and potential quality improvement activities. Failure to meet and/or maintain the minimum survey requirements or provide and adhere to an acceptable corrective action plan that will ensure meeting minimum survey requirements shall render Supplier unacceptable to be a LIGHTING supplier.

2. Supplier Capability Assessment.

In order to meet LIGHTING’s quality expectations and specified sigma capability levels for new or modified Products, the requirements of this Supplier Quality Policy must be met and maintained during the term of any agreement or purchase contract. The below procedures, studies and requirements shall be at the sole discretion of LIGHTING. Access shall be granted by Supplier to LIGHTING on all processes, procedures, test data, and means of recording same, upon reasonable request.

3. Benchmarking/Preliminary Qualification.

To more effectively assess Supplier’s process capability and aid in establishing Product design tolerances based upon Supplier feedback, preliminary process benchmarking data may be requested by the Supplier Quality Engineer (SQE) prior to the submission of a quote for business. Such data may include:

(A) Where a new part is concerned, or where Gauge Reproducibility and Repeatability (Gauge R&R) is unknown, preliminary Gauge R&R studies may be performed on an approved similar part

(approved by LIGHTING Design Engineer or SQE) for review, acceptability and discussion of Supplier's gauging system.

(B) Product or Process Failure Mode Effects, Process Control Plans and Mean Time to Failure Analyses may be required for selected components, Products, or critical process applications.

4. Product Approval and Qualification Data - Submitted to Site.

Products used to generate first piece and capability data shall be produced on production tooling using production operators and materials under actual production conditions and at production rate requirements. All capability and first piece data are expected to be measured and submitted no later than the pilot phase of production using appropriate variable & attribute data gauging by Supplier. In the event of a discrepancy, the LIGHTING site gauging system shall be the standard reference. Submission Material shall include, but is not limited to:

- (A) Completed Product First Piece /Initial Evaluation Report;
- (B) Process Flow Diagrams;
- (C) Process Failure Modes Effects Analysis (PFMEA);
- (D) Dimensional Results w/Ballooned Drawing (full layout of 5 samples per cavity);
- (E) Measurement Studies (Gauge R&Rs) on all CTQs (Critical to Quality). The goal of Gauge R&R is to use less than 20% tolerance. Any Gauge R&Rs over this level must be reviewed and approved by the SQE;
- (F) Control Plans (including all 'control' and 'critical' characteristics);
- (G) Capability Studies on all CTQs (Product, Process and Parts) demonstrating compliance to Design Engineering specified sigma levels;
- (H) Material Tests and Certifications;
- (I) First Pass Yield;
- (J) Packaging Specification;
- (K) Shipping Labels & Cartons;
- (L) Bill of Material (BOM);
- (M) Approved Vendor List (AVL)

All documentation shall be in English.

5. Ongoing Production Data - Submitted to Site.

CTQ capability variable and attribute data must be submitted on an ongoing basis post-production to LIGHTING. The frequency of data to be submitted will be determined by the LIGHTING SQE based upon sampling guidelines. Ongoing production data for Product regulatory compliance must be submitted in accordance to the Manufacturing Control Plan requirements. Supplier is responsible for submitting all Product regulatory compliance data as instructed in the Manufacturing Control Plan, whether or not said data is stored on LIGHTING's system.

6. Change Notification.

Supplier shall notify LIGHTING in writing in advance of all process changes, plant moves, equipment changes and moves, material changes, component changes or sub-tier supplier changes and no such change shall occur until LIGHTING has conducted such audits, surveys, and testing of parts or processes as necessary to determine whether to consent to said changes. No change shall occur without LIGHTING's written consent. Notification shall be sent by Supplier to LIGHTING's responsible

SQE or buyer. Any and all changes approved by LIGHTING shall be documented by Supplier by following change procedures issued by LIGHTING from time to time. It shall be the responsibility of Supplier to obtain, complete and submit proper documentation regarding any and all changes. Any changes under this provision made without the explicit consent of LIGHTING shall constitute a material breach, and LIGHTING shall have the right to terminate any agreements immediately and without prior notice to Supplier.

7. Non-Conforming product and Corrective Action Response.

Shipping non-conforming product is not acceptable. All such incidents will negatively affect Supplier's performance metrics and will cause implementation of necessary corrective actions by LIGHTING.

Discovery by LIGHTING of non-conforming product will typically result in the issuance of a Corrective Action Report or 8D. LIGHTING expects implementation of necessary containment actions within twenty-four (24) hours from the time such an incident is reported to Supplier.

Containment actions may require Quarantine, Sort, and/or Rework of product at all product locations including finished and in-transit product. Supplier must provide on-site support or coordination for all containment actions if requested by LIGHTING. Such support is typically required on-site within twenty-four (24) hours from the time such support is requested. LIGHTING may choose to hire a third-party agency or employ its own personnel to support containment activity if this becomes necessary.

Supplier is responsible for all expenses incurred during a non-conforming product incident. If possible, Supplier will be offered the opportunity to replace non-conforming product to reduce expense liability.

Supplier is responsible for proactively notifying the LIGHTING Sourcing and Supplier Quality teams of non-conforming product in the event Supplier becomes aware of such before LIGHTING personnel discover the non-conformity.

8. Supplier Bill Back.

Suppliers are expected to provide Products that are free of defects. In the event LIGHTING receives defective parts and/or Products which cause LIGHTING to incur additional costs including, but not limited to, lost production, re-work, sorting, customer service or other related expenses, Supplier shall reimburse LIGHTING for said costs.

9. Continuous Improvement.

LIGHTING will regularly invite or visit Supplier to review Supplier's Continuous Improvement efforts. LIGHTING expects all its suppliers to formulate and implement a Continuous Improvement plan.

10. Compliance.

(A) Supplier Responsibility Governance (SRG) and Environmental, Health, and Safety (EHS):

Suppliers with manufacturing sites are required to participate in periodic site audits focused on the areas of Environmental, Health and Safety, Labor Practices and Security.

Suppliers must pass the initial audit with no Red Findings before they can be added to the Approved Supplier List. Suppliers with Red Findings identified during subsequent audits may be removed from the Approved Supplier List as long as these findings remain open.

(B) RoHS – REACH - Toxicity:

Suppliers are required to comply with LIGHTING policies for Toxicity, RoHS, & REACH.

Toxicity (Standing Instruction (SI) 900000, S004, P001 and P002) is a process of disclosing all Materials of Concern (MOCs) for all parts, assemblies, and finished sourced goods supplied to LIGHTING. This process is designed to protect the consumer and prevent hazardous materials from knowingly or unknowingly being added to our products. The purpose of this procedure is to formalize an instruction to prevent the production of products that could present a toxic hazard to consumers. This procedure identifies the specific requirements based on the hazard evaluation of the material used in the product. It also establishes a procedure to verify compliance and maintain appropriate records.

RoHS (SI 900000, S013) is a European Union (EU) initiative and defines a specific list of chemicals that are restricted or prohibited above a certain concentration. LIGHTING has adopted this policy for all of its products regardless of where they are sold.

REACH (SI 900000, S014) defines a requirement to report chemicals that are manufactured, imported or contained in articles that are manufactured or imported into Europe. Although REACH does not prohibit the use of chemicals as of the release date of this SI, selected “prioritized” chemicals are to be announced at a later date, along with the “sunset dates” by which they will be banned. Prior to availability for sale of an article in the EU, a list of SVHC (Substances of Very High Concern) materials must be available to the downstream user if they are present greater than 0.1% weight by weight(w/w) of the article, regardless of the total annual weight of import per year.

(C) Product Regulatory Compliance (PRC)

Supplier is responsible for ensuring the Products comply with all applicable regulatory requirements including, but not limited to those requirements related to performance, reliability, sampling, testing, packaging and safety.

(D) Component Authenticity (for electronic component Products and Products containing electronic components)

The use of counterfeit components is prohibited by law, LIGHTING Policy, and by LIGHTING’s Conditions of Purchase. Counterfeits present significant supply chain risks, including performance, reliability and potential safety risks to LIGHTING and our valued suppliers and customers. Counterfeit components also have the potential to subject firms to significant government enforcement actions. A counterfeit component is a suspect part that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by a

supplier in the supply chain. A counterfeit component is an electronic part that is not genuine because it:

- 1) is an unauthorized copy;
- 2) does not conform to original component manufacturer (OCM) design, model, and/or performance standards;
- 3) is not produced by the OCM or is produced by unauthorized contractors;
- 4) is an off-specification, defective, or used OCM product sold as "new" or working; or
- 5) has incorrect or false markings and/or documentation.

LIGHTING requires its suppliers to develop and implement a counterfeit electronic parts policy and control plan for avoidance, detection, risk mitigation, disposition and immediate reporting of counterfeit parts. The process shall require electronic components be purchased through the Original Equipment Manufacturer (OEM) listed on the Approved Vendor List (AVL) or OEM authorized distributors. The process shall include maintaining a list of OEM approved distributors. Records of traceability to the OEM distributor's authorization or OEM certification must be continuously maintained and provided upon request. In cases where spot buys are necessary, supplier must validate authenticity of each single lot number through the OEM or authorized distributor with supporting evidence. The control plan shall include incoming inspection procedures to detect counterfeit parts, and immediate notification to LIGHTING if suspect parts were shipped.

If counterfeit parts are furnished, such items will be impounded. The supplier shall promptly replace those items with acceptable parts and will be liable for all costs relating to containment, removal and replacement. LIGHTING may return suspect parts and withhold payment for any suspect parts.

In order to continue our business relationship, suppliers must implement a rigorous counterfeit parts control plan to avoid the use of counterfeit electronic components. To assist suppliers, LIGHTING is providing a Standing Instruction, Authenticity and Incoming Inspection for Electronic Components (Lighting). LIGHTING expects the supplier to adopt these instructions as part of the supplier's normal process and control plan to prevent counterfeit components.

11. Annual Audit.

LIGHTING will schedule an Annual Quality Audit at selected supplier locations involved in the manufacturing and shipping of product to LIGHTING.

Consistent with Section 10 above (Supplier Responsibility Governance (SRG) and Environmental, Health, and Safety (EHS)), Suppliers are required to participate in periodic site audits focused on the areas of Environmental, Health and Safety, Labor Practices and Security.

Supplier will receive advance notification of all such audits. Supplier must provide the required documentation to the concerned LIGHTING contact for review prior to the actual audit.

12. Termination.

The failure of Supplier to obtain and maintain each of the requirements or obligations set forth herein will constitute a material breach, and LIGHTING shall have the right to terminate any agreements immediately and without prior notice to Supplier.

Appendix

Reference Documentation

SRG Manual	GE2017-2450
Component Authenticity	GE2016-9133
Product Regulatory Compliance	GE2018-2063