



SUPPLIER HANDBOOK

PREPARED FOR:
CADREX SUPPLIERS

ADMWI_0015.1. Rev. 3
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SUMMARY

Cadrex values global supplier partners who share our commitment to quality and innovation– always delivering superior results.

To support this philosophy, Cadrex has a Supplier Handbook that shares with all of its suppliers. The supplier handbook outlines the minimum requirements that a supplier must meet to do business with Cadrex, this handbook applies to all suppliers that produce goods or provide services for Cadrex.

The Supplier Handbook is aligned with Cadrex Supplier Quality Manual, which outlines a more extended guideline and information. Each Cadrex site will have their Supplier Quality Manual version, please contact the site purchasing team to ensure you have the correct manual.

Any situation not listed in the supplier handbook and in the Supplier Quality Manual should be reviewed with Cadrex Sourcing team.

CADREX CORE VALUES



**Safety
First**



**Rise to
the
Challenge**



**Do the
Right Thing**



Collaborate



**Be
Accountable**

CODE OF CONDUCT & ETHICS

Cadrex is committed to upholding high standards of ethics, integrity, and social responsibility in our business operations and supply chain. In part, this is demonstrated through the compliance with the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC) requirements, an alliance of companies who share the commitment to ensure working conditions in the supply chain are safe, the workers are treated with respect and dignity, and that business operations are environmentally responsible. We do this with close partnership of our customers and also with our supply chain.

Supplier Expectations

We expect our suppliers to share our commitment to ethics, integrity, and social responsibility. The term “supplier” means any person or entity that provides Cadrex with goods or services. As a supplier to Cadrex, you agree to the following:

1. The supplier will comply with all laws and regulations applicable to its business and operations
2. The supplier will read and comply with the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC) code of Conduct.

For a copy of the Code of Conduct, please visit:

<https://www.responsiblebusiness.org>

3. Complete and return information regarding mineral country of origin on parts supplied to Cadrex, utilizing the most recent Conflict Minerals Reporting Template, located online at: <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>.

CODE OF CONDUCT & ETHICS

4. Provide product related materials declarations for European Union Directive 2011/65/EU “Restriction of Hazardous Substances” (RoHS), European Union Regulation (EC) 1907/2006 on “Registration, Evaluation, Authorization, and Restriction of Chemicals” (REACH), and other requested product content legislation.

5. In adherence to our commitment to prevent and address the risk of adverse human rights impacts linked to business activity, we require all suppliers to follow the [UN Guiding Principles for Business and Human Rights](#).

6. Participate in and support Cadrex efforts to periodically validate our suppliers’ compliance with this Policy through assessment questionnaires and validation audits.

7. The supplier will respond to all Cadrex inquiries and questionnaires in a clear, concise, and complete manner within the time period requested. This is to include, but not be limited to, queries on compliance validation and assessments.

Cadrex is excited to work with our suppliers to enable a supply chain that is high in ethics, with social, and environmental responsibility. Cadrex will actively reconsider our willingness to partner with any supplier who fails to comply with this Policy and/or the EICC Code of Conduct.

CODE OF CONDUCT & ETHICS

Gifts and Entertainment Policy

At Cadrex, we value strong relationships with our suppliers built on trust, integrity, and mutual respect. This gift policy has been established to provide clear guidelines regarding the acceptance of gifts from suppliers to maintain transparency and avoid any conflicts of interest.

Acceptable Gifts:

- Gifts at Nominal Value Below \$100 USD: Suppliers are welcome to offer gifts of nominal value, such as promotional items or small tokens of appreciation, with a value not exceeding \$100 USD per gift.
- Modest Meals and Entertainment: Occasional modest meals and entertainment events shared with suppliers are acceptable as a means of fostering positive relationships. However, it is expected that Cadrex employees will offer to split the bill at dinners and similar events to ensure fairness.
- Perishable Gifts: Gifts of perishable items, such as fruit baskets or baked goods, are considered acceptable and can be shared with the entire team.
- Branded Marketing Giveaways: Suppliers can provide branded marketing giveaways, such as company merchandise or promotional materials, to help promote business collaboration.

Unacceptable Gifts:

- Lavish Gifts of High Value: Gifts that exceed nominal value or are of extravagant nature are strictly prohibited. This includes expensive luxury items, extravagant vacations, and high-value electronics.
- Cash or Cash Equivalent Gifts: Acceptance of cash, checks, gift cards, or any other form of cash equivalents is strictly forbidden.
- Gifts Intended to Influence Business Decisions: Any gift that is offered with the intention to influence business decisions, gain favor, or secure preferential treatment is not acceptable.

CODE OF CONDUCT & ETHICS

Gift Policy

- Gifts that Can be Considered Bribes: Offering or accepting gifts that could be perceived as bribes or kickbacks is strictly prohibited and will not be tolerated.
- Solicited Gifts: Cadrex employees must not solicit (request) gifts of any kind from suppliers.
- Loans or Discounts on Items: Gifts in the form of loans or discounts on personal items are not permitted.
- Gift Certificates: Acceptance of gift certificates or vouchers is not allowed.
- Illegal Items: Gifts that are illegal, prohibited by law, or violate any company policies are strictly forbidden.
- Multiple Gifts Within a Short Period of Time: Repeated gift-giving within a short timeframe from a supplier may be considered inappropriate and should be avoided.

Conclusion:

At Cadrex, we prioritize ethical conduct and transparency in our business relationships. This gift policy aims to promote fairness and maintain the integrity of our partnerships with suppliers. By adhering to these guidelines, we ensure that our business decisions are not influenced by personal gain and that the relationships we build are founded on trust and mutual respect.

SUPPLIER ONBOARDING

In order to be a supplier for Cadrex, you must first present the following documentation. Our Sourcing and Finance team will review these documents and if everything is in order, we will proceed to set you in our system as a supplier. Please note that there could be a difference in documents requested from one Cadrex site to another.

DOCUMENTS SUPPLIER MUST PRESENT TO CADREX

- Fill and sign Cadrex NDA (Non Disclosure Agreement) "**NDA**"
- Fill and sign our Supplier survey form, if requested "**QAF-0018**"
- Fill and sign our Wire Authorization form "**ACH WIRE FORM**"
- Fill and sign our Supplier approval request form "**ADMF-007**"
- Share your **W9** form, if you are a supplier based in the United States
 - Share your **W8** form, if applicable
- Fill and sign our **Master Service Agreement**, if requested

For suppliers based in **Mexico**, we will also request the following documents:

- "Constancia de situación fiscal" with date of current month
- "Carátula de estado de cuenta bancario"
- "Opinión Positiva de cumplimiento ante el SAT" of the current month
- Fill and sign the format for new suppliers called "**FCOAP**"



INVOICING INSTRUCTIONS

Following the instructions below, this will help guarantee payment for your products or services. It is the suppliers responsibility to invoice correctly and to avoid any issues with payments.

INSTRUCTIONS

- Send invoice to the Accounts Payable email: [Please contact your purchasing team to confirm the email address assigned to the Cadrex site you will be doing business with.](#)
- The invoice should reference the PO number, quantity, Cadrex PN, UOM, and price.
- Always include your Cadrex buyer in the email sent to Accounts Payable

The supplier is responsible to validate and send their invoices to the correct email address.



DELIVERY INSTRUCTIONS

Deliveries to CADREX must follow these instructions

1. The supplier must deliver in accordance with the instructions in the purchase order (PO). Our PO will specify either a pick up instruction or a delivery address, dependent on the agreed delivery terms.
2. The shipment should contain all goods defined in the PO for that delivery. Part delivery is only allowed on approval by the Cadrex procurement team.
3. The goods delivered, and all delivery documentation, should correspond exactly to CADREX purchase order description.
 - a. If the PO specifies 100 bolts, then the order confirmation, packing slip and invoice must also specify 100 bolts (not 1 packet of bolts).
 - b. Item numbers on packing slip/invoice shall be the same as given on the PO.
4. PO items must be packed according to industry standard. Wooden packaging must follow the country regulations. The delivery must include two copies of the commercial invoice/invoice/packing slip – one inside the package and one outside, plus a list of contents of the delivery identical to our PO / item numbers. The external packing slip must be waterproof.
5. Commercial invoice and packing slip should, at a minimum, include:
 - a. Manufacturer name
 - b. Address
 - c. Phone number
 - d. Part description in English
 - e. Quantity, value, gross weight and net weight per line item
 - f. COO (country of origin) ☒ Signature ☒ Schedule B/HTS code.

• **Documentation required to receive product (printed)**

- All Suppliers
 - Documents of the transaction:
 - PO
 - Invoice
 - packing list)
- When applicable
 - Products with a **finish**: certificate of finish applied, including the applied norm i.e. ASTM norm applied
 - **Paint and flammable products**: SDS, TDS
 - **Metals**: material certification, heat number, and ROHS when applicable
 - **Other**: Cadrex will review and request other documents as needed

DELIVERY INSTRUCTIONS

DR/RMA/CN INSTRUCTIONS

A Discrepancy Report (DR) will be issued every time that a quality concern is found through Cadrex's processes, where there is reasonable evidence that problem/concern found is related to the Supplier Process (Part numbers provided by external suppliers).

The DR and the evidence report gathered during internal investigations will be communicated to the Supplier through its assigned Buyer.

The Supplier needs to provide an **RMA number** within 24 hours after notification is done so that the material can be send back for review and root cause analysis. Once the root cause is confirmed, the supplier must provide a **Credit Note** (CN) or a replacement, the Buyer will let you know what is needed. Corrective actions might be required but those, will be addressed by SQE dept.

Any material sent back to Cadrex as "RMA return", "Replacement" should be identified by using the label format below. This is to prevent receiving issues and delays.

NOTE: An RMA Label must be attached to every box or standard pack and should be placed on the left corner above the shipping label.

Supplier:							
Part Number/ DR Number:							
RMA Number:							
Date Submitted							
M	M	D	D	Y	Y	Y	Y

DELIVERY INSTRUCTIONS

FAI INSTRUCTIONS

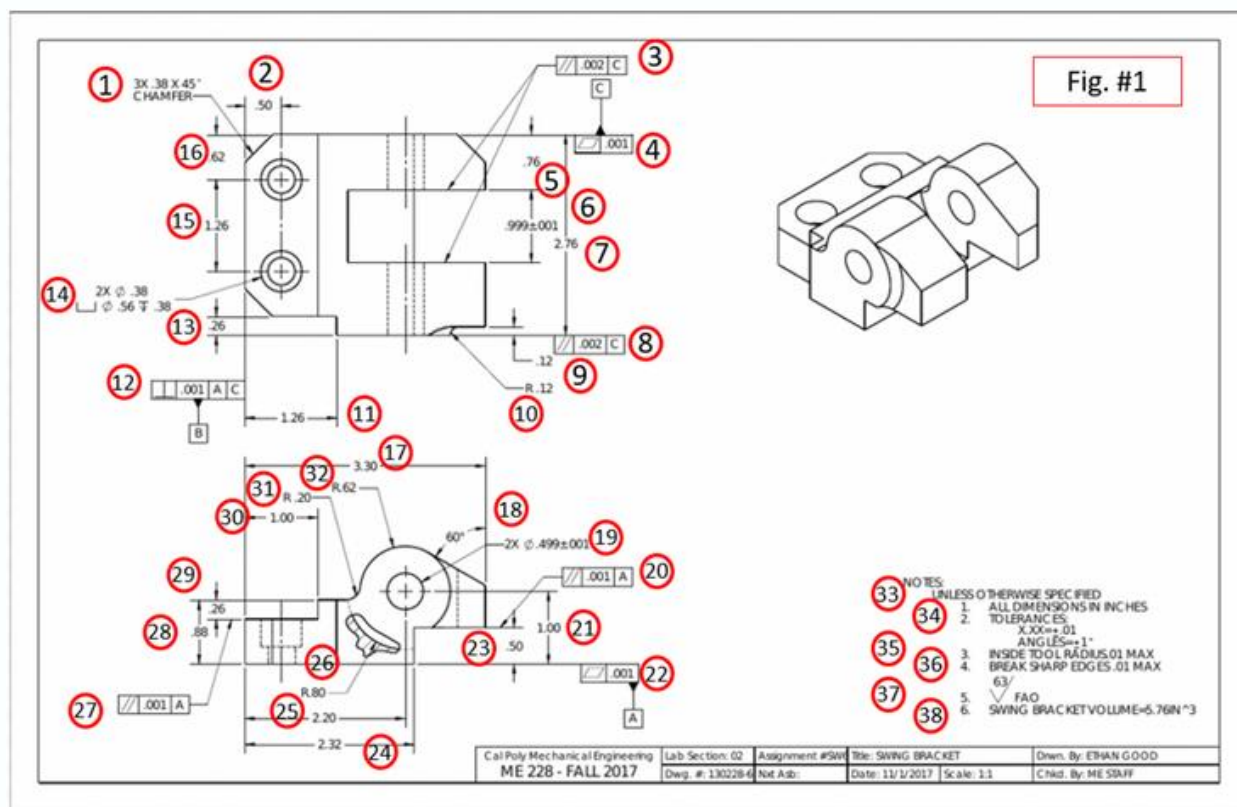
Prior to production release, when indicated by Purchasing, Sourcing, SQE or in the Cadrex Purchase Order, each part number will undergo a First Article Inspection (FAI) by the supplier.

The FAI inspection will include every dimension, note, and feature on the Cadrex supplied part drawing, or drawing developed by the supplier according to every case. A copy of these inspections results will be supplied to Cadrex along with the quantity of samples required by either Purchasing, Sourcing, SQE or marked in the Purchase Order.

The FAI will include the following documents:

1. **Ballooned drawing:** Every dimension, note, and feature on the Cadrex supplied part drawing, or drawing developed by the supplier, must be identified with a circled number (ballooned) clockwise starting in the superior left corner as shown on Fig. #1:
2. **FAI form (INSPECCION DE PRIMER ARTICULO):** Every dimension, note and feature on the drawing must be documented on the FAI form (QAFR_0017.20.MX Rev. 1) the Item No. correspond to the circled number (ballooned) of the Ballooned drawing.
3. **Additional documents:** Material certificate, Finish certificate, or any other that helps to demonstrate accomplishment with requirements called out on drawing or additional ones requested by Purchasing, Sourcing, SQE or in the Cadrex Purchase Order.

DELIVERY INSTRUCTIONS



INSPECCION DE PRIMER ARTICULO (FAI)

CLIENTE / CUSTOMER	Tenere	FECHA / DATE	11/23/2022
NUMERO DE PARTE / PART NUMBER	ME 228 - FALL 2017	CONTACTO / TENDRE CONTACT (Email=)	Aaron.Chaves@tenere.com
REV	11/1/2017	BT:	Supplier Metrology Profesional
DESCRIPCION DE PART / DESCRIPTION	SWING BRACKET	APROBADO / APPROVED	
NUMERO DE DIBUJO / DRAW NUMBER		UNIDADES / UNITS	1 inches long diameter

[illegible]

SBR OVERVIEW

This Supplier Business Review Program applies to all suppliers providing products and services within the quality management system of Cadrex. The program will primarily focus on strategic suppliers defined by contractual agreements, spending thresholds, and criticality to end products. It includes evaluations for on-time delivery, quality, lead time, pricing, customer service, payment terms, and code of conduct adherence. Excluded from the scope are indirect material and indirect service suppliers.

The SBR program is intended to review supplier performance to ensure suppliers are meeting established standards and meeting KPI benchmarks. Additionally, SBR's provide an opportunity to improve risk management, maintain strategic alignment, and develop strong relationships between Cadrex and its suppliers.

Performance evaluation will be assessed using the ADMF-0006 Rev D Supplier Scorecard containing the following sections and score weightings:

• **On-Time Delivery (30%)** – Measured by the on-time delivery to promise date of each line item received during the evaluation period. A line is considered late if arriving more than 1 day after the stated promise date and considered early if received more than 3 days before the stated promise date.

• **Quality Evaluation (30%)** – Measured using DPPM for all received goods during the evaluation period (85%) and adherence to paperwork and documentation standards (15%).

CADREX MANUFACTURING SOLUTIONS	
Grading Period MM/YYYY - MM/YYYY	RATING SCALE - OVERALL SCORE Excellent - 90% + Satisfactory - 80% + Below Average - 70% + Poor - Under 70%
Overall Score	86.38%
Supplier	Total Period Spend \$0
On-Time Delivery Evaluation Section Weight: 30%	
Grading Criteria: On Time Delivery to promised date.	
Total Purchase Order Line Items Received	
On time	
Late	
Early	
OTD %	0.00%
Comments:	
Average OTD 100.00%	

SBR OVERVIEW

• **Lead Time Evaluation (15%)** – Assessment of how the supplier's lead time compares to industry standard. Also evaluates if the supplier has demonstrated flexibility to expedite orders when required.

• **Pricing Evaluation (10%)** – Assessment of the supplier's competitiveness in pricing as well as timely responses to RFQ's. The supplier proactively offers cost reductions and process improvements to Cadrex without a formal request to do so.

• **Customer Service & Responsiveness (5%)** – Assessment of how quickly the supplier acknowledges purchase orders and responds accurately to production status and technical information requests. The supplier proactively communicates potential delays and offers solutions.

• **Payment Terms (5%)** – Assesses the payment terms established between Cadrex and the supplier. Greater than Net 60: 120%, Net 60: 100%, Net 45: 60%, Net 30: 40%, Less Than Net 30: 0%.

• **Code of Conduct & Risk Management (5%)** – Assessment of the supplier's adherence to the RBA code of conduct. For a score of 100% in this section, the supplier must provide evidence of a program or processes in place to ensure RBA compliance (75%). The supplier must also have signed the Cadrex issued acknowledgement committing to the RBA and Cadrex Code of Conduct compliance (25%).

Quality Evaluation		Section Weight: 30%
Quality Rejections (85%)		
Total Accepted		
Rejects at delivery		
RMA'S		
Total Rejected		
DPPM		
Quality Rejection Subscore		75.00%
Documentation & Paperwork (15%)		
Grading Criteria: Necessary paperwork (packing lists, mill certs, COC's, etc.) is sent with each shipment in accordance with Cadrex standards.		
Comments:		
Documentation Subscore		100.00%
Quality Score		78.75%

Lead Time Evaluation		Section Weight: 15%
Grading Criteria: Supplier lead time compared to industry standard. Supplier flexibility to customer needs.		
Comments:		
Average Score		80.00%

Pricing Evaluation		Section Weight: 10%
Grading Criteria: Competitive pricing, timely RFQ response, proactive in passing on cost reductions.		
Comments:		
Score		80.00%

Customer Service & Responsiveness Evaluation		Section Weight: 5%
Grading Criteria: PO acknowledgment response time, responses to order inquiries/technical information requests, and proactive communication.		
Comments:		
Score		100.00%

Payment Terms		Section Weight: 5%
Grading Criteria: Greater than Net 60: 120%, Net 60: 100%, Net 45: 60%, Net 30: 40%, Less Than Net 30: 0%		
Comments:		
Score		80.00%

Code of Conduct & Risk Management		Section Weight: 5%
RBA Compliance Program (75%)		
Grading Criteria: Evidence of program/process focused on RBA compliance.		
Comments:		
Compliance Program Subscore		100.00%
Signed Acknowledgment of Adherence to COC (25%)		
Grading Criteria: Supplier has signed the Cadrex acknowledgement asserting compliance to Code of Conduct. (Yes = 100%, No = 0%)		
Has supplier signed the acknowledgment?		No
Signed Acknowledgment Subscore		0.00%
Score		75.00%

SBR OVERVIEW

Objective data, where available, will be used to assist with the ratings of each area, the team will utilize this information, as well as actual business experience during that evaluation period to effectively rate the supplier.

Commodity Manager will provide summary to all associates involved with the supplier performance.

The Supplier review meeting will be scheduled and documented by the Commodity Manager.

- Document date, attendees, action plans with dates on supplier action tab.

Follow-Up Actions

After completing the evaluation, an overall score will be calculated using the scale provided below, which will assess supplier performance for the given period. Scores equal to or exceeding 80% do not mandate further actions; however, both the evaluating team and supplier representatives retain the authority to identify and implement corrective measures to address any issues raised during the SBR. Suppliers receiving scores between 70% and 79% are required to produce follow-up corrective actions to address the underperforming area(s) highlighted on the scorecard. These corrective measures may or may not be initiated by a formal CAPA (Corrective and Preventative Action) issuance from Cadrex, and it will be up to the discretion of the supplier's GCM to determine how to proceed. SBR's resulting in a score below 70% will automatically trigger the issuance of a CAPA to the supplier to address the underperforming areas. An on-site audit may also be required as an additional follow-up action if the commodity manager determines it is warranted.

RATING SCALE - OVERALL SCORE
Excellent - 90% +
Satisfactory - 80% +
Below Average - 70% +
Poor - Under 70%



SUPPLIER QUALITY MANUAL OVERVIEW

The Supplier Quality Manual (SQM) has been created to assist our suppliers in understanding the Quality expectations and requirements for products and/or services supplied to Cadrex. This Supplier Quality Manual will communicate the operating principles, general expectations, and procedures of Cadrex.

Adherence to the guidelines described in this manual is required by all Cadrex suppliers. This manual describes the acceptance of any and/or all purchase orders constitutes acceptance and commitment on behalf of the supplier to comply with this manual's content. These guidelines are provided as supplement to, and do not replace or alter, any purchase agreement terms and conditions which are included as requirements of applicable drawings, electronic part models, specifications and other contractual documents. minimum requirements for which the supplier has responsibility. However, system improvements that exceed the requirements specified within this manual are always encouraged.

Please ask for a copy of the supplier quality manual to a Purchasing or Sourcing representative at the Cadrex site you will be doing business with, as different Quality manuals versions are used across the different Cadrex sites.

