IBSEN PHOTONICS A/S

SUPPLIER QUALITY MANUAL

1 Purpose

This manual addresses the quality and delivery requirements of purchased materials for Ibsen Photonics A/S (Ibsen). The guidelines and requirements set forth within this manual shall become part to any contractual agreements developed between Ibsen and the Supplier and unless otherwise specified shall apply to all purchase orders placed by Ibsen with the Supplier. You will not receive a copy of this manual with each order, but you will receive an updated copy when new revisions are approved. Any additional information or specific quality requirements referenced on the purchase order, especially those in the form of drawings, test results, or procedures, will take precedence over this manual.

2 Overview

This manual explains the quality system requirements to which Suppliers shall conform when performing work required under an Ibsen purchase order. We expect our Suppliers to review, understand, and comply with the requirements stated on the purchase order and in this Supplier Quality Manual.

The Supplier must assume full responsibility for the quality, delivery, and reliability of all parts, materials and services provided to Ibsen.

Any questions or comments concerning the Supplier Quality Manual should be directed to the Ibsen Purchasing representative. The Ibsen Purchasing Department acts as the main link between Suppliers and the other functions within Ibsen. The process with Purchasing starts with a supplier assessment and approval process and continues throughout the relationship.

3 General Requirements

Supplier shall, as a minimum, comply with applicable legislation and where relevant, fulfil the requirements of ISO 9001. Formal certification is recommended and viewed as a merit during supplier assessments.

Supplier shall supply items in accordance with Ibsen's specifications, including if not otherwise specified, conformance to the European Union's REACH regulation no. 1907/2006 and RoHS directive 2011/65/EU, to section 1502 of the Dodd-Frank Wall Street Reform Act relating to conflict minerals, and other legislative requirements.

Supplier shall respect worker's rights, refrain from using child labour, and abide by ethical rules and guidelines designed to avoid bribery and money laundering.

Supplier shall respect the environment and avoid unnecessary pollution, release of greenhouse gases or other detrimental impacts on the environment.

4 Supplier Approval Process

The supplier approval process starts with the collection of business information, through a Supplier Self-Assessment Questionnaire and, if required by either Ibsen or Supplier, a Mutual Non-Disclosure Agreement. It may also be determined that an on-site Supplier Audit is necessary prior to Supplier approval. It may also be necessary for Supplier to provide engineering samples to determine Supplier's capabilities. These samples are considered part of the evaluation process.

Purchasing, in conjunction with Quality Assurance, and using information received from R&D, Production and other departments, evaluate current and potential suppliers based on the criticality of the materials or services to be provided.

A supplier is classified as an Approved Supplier when 1) All contracts or other legal documents are approved, 2) the Supplier Self-Assessment Questionnaire has been completed and returned to Ibsen, 3) the supplied first article materials are verified to have met Ibsen's quality requirements and 4) where applicable, an on-site Supplier Audit has been performed.

5 Supplier Audits

Ibsen reserves the right to visit Supplier's facilities to inspect materials and processes and audit their quality management system. This right also extends to Supplier's supply chain.

Ibsen may determine a Supplier Audit is required based on 1) supplier performance, 2) change in supplier circumstances, 3) approval of a new supplier, or 4) supplier documentation requiring further investigation.

The audit team may evaluate Supplier's quality system using applicable ISO standards and relevant industry requirements, as well as Supplier's compliance to internal company procedures and processes.

OEM customers of Ibsen may request an on-site audit of Supplier. In this case, Ibsen will contact Supplier to make the necessary arrangements.

6 First Article Inspection

Acceptance by Ibsen of the first article or unit produced in accordance with the purchase order is required before subsequent production is to begin, unless otherwise stated. Specific first article requirements may be stipulated on the individual purchase order.

Ibsen is not responsible for material that was manufactured before first article acceptance unless Ibsen has requested and authorised Supplier to manufacture production quantities prior to first article acceptance. Supplier is responsible for the quality and performance of their materials. Supplier is financially responsible for any non-conforming materials.

7 Special Processes

Special processes are processes yielding items that cannot be adequately evaluated for conformance to requirements through inspection or non-destructive testing alone. These include, for example, coating, bonding, and welding. Supplier shall, at a minimum, provide documentation and records that demonstrate a degree of control over these processes.

Where required, Supplier shall:

- Provide assurance that the items meet or exceed the appropriate tests or standard requirements;

- Provide assurance of adequate training of personnel;
- Maintain detailed procedures of tests or inspections; and/or
- Provide evidence of accreditation or qualification.

8 Non-conforming Items

Ibsen's Quality Goal is zero defects.

It is Supplier's responsibility to produce and ship items conforming to Ibsen specifications and purchase orders.

Ibsen will have a reasonable period of time to inspect the items. Upon inspection Ibsen may elect to reject and return to Supplier (i) any defective items, (ii) any items that do not meet the Specifications and (iii) any items found to be defective in workmanship during the warranty period. Rejection of items may be made by individual units or by lot rejection.

Any item, which is rejected, shall be replaced or corrected by Supplier promptly. Ibsen will request a Return Material Authorization (RMA) number and immediately debit Supplier with the original purchase price. Supplier is required to provide an RMA number within twenty-four (24) hours of Ibsen's request. Rejected items will be returned freight collect with replacement items to be shipped prepaid by Supplier.

If Supplier fails to promptly replace or correct any defective items, Ibsen may replace or correct such items and charge the direct cost incurred to Supplier, and may, without further notice, terminate outstanding purchase orders and other agreements for default.

9 Corrective and Preventative Action

Suppliers that send Ibsen non-conforming items, will receive information regarding the non-conformance, and may receive a request for Corrective and Preventative Action (CAPA). Supplier is responsible for responding to the CAPA request within thirty (30) days. If Supplier fails to submit Corrective and Preventative Actions within the time specified, all non-conforming items will be returned to the Supplier freight collect, and Supplier may have both current and future items placed on "hold" until a resolution is agreed upon by both parties.

10 Change Control

As a supplier of components for medical devices and other highly regulated industries, it is a firm requirement that no changes are made that affect Ibsen products without appropriate validation, verification and approval.

Supplier shall sign and return the No Change Agreement provided by Ibsen to confirm
they agree to the following criteria.

The following changes by Supplier require Ibsen's written authorisation, and may trigger an on-site Supplier Audit and/or First Article Inspection:

- Any change in raw materials, processes and/or tools that could affect form, fit, function, dimensional characteristics, reliability, durability, and/or appearance.
- Any changes to test specifications or test equipment, or to the content of test reports or Certificates of Conformance
- Any change in Suppliers' manufacturing location or selection of sub-suppliers.

Supplier is responsible for submitting information and data concerning any proposed change to Ibsen before they occur. Ibsen will evaluate samples or perform first article inspection of the revised items and advise Supplier of status.

11 Engineering Change Orders (ECO)

Ibsen is responsible for communicating any ECO changes to Supplier in a timely manner. Open purchase orders are revised with the applicable ECO changes, including but not limited to new revision, part number, date, inspection code, etc. A minimum of one (1) lot of material of the new revision may be inspected for conformity to the ECO change.

Supplier is responsible for implementing the ECO as instructed. Any charges or savings from the Supplier are passed back to Ibsen along with an implementation date. Ibsen will not send, nor will Supplier accept, any changes to specification without the authority of a signed ECO.

12 Supplier Delivery

Ibsen's Delivery policy is three (3) days early, zero (0) days late. The delivery goal is 100% on time delivery.

It is Supplier's sole responsibility to ensure that their supply chain is reliable and will provide the highest level of delivery and quality performance, so not to disrupt material flow to Ibsen. Supplier is required to notify Ibsen as soon as possible of any delay in deliveries. Supplier will make every attempt to avoid late deliveries so not to impact Ibsen production.

In the event of an error or problem within the scope of Supplier's responsibility that causes a shortage of Product such that Ibsen is obligated to cease production, Ibsen will assess the impact and work with Supplier to address the issues. Ibsen reserves the right to invoice or credit any direct costs incurred until the incident has been resolved by Supplier to Ibsen's satisfaction.

Supplier reserves the right to investigate, up to ten (10) days upon notification from Ibsen, each late delivery incident to determine to Supplier's complete satisfaction if Supplier was in fact responsible for the delayed delivery prior to authorising payment.

13 Marking of Goods

All goods delivered to Ibsen must be clearly identified and be accompanied by clear and accurate documents, including a packing slip containing the following minimum information:

- Ibsen Purchase Order Number
- Ibsen Part Number
- Description
- Order Quantity
- Quantity Shipped
- RMA number, if applicable

International shipments must include dollar value for customs purposes. Including samples and free of charge items.

Each individual box or container must be clearly marked with the following minimum information:

- Purchase Order Number
- Ibsen Part Number, Description & Revision
- Quantity Supplied
- Packing Slip Number

We stress that the part number must be an Ibsen part number, as referenced on the purchase order.

14 Incoming Material Identification and Traceability

When requested by specification, drawing, purchase order or in writing from Ibsen, all materials, products, or components must have a manufacture date code on the material and/or packaging. Items returned to Supplier for rework must be identified as reworked, re-inspected and determined by Supplier to be conforming.

15 Retention of Quality Records

Supplier shall keep quality records to provide evidence that products supplied to Ibsen conform to requirements.

Supplier shall retain such records in electronic format for a period of minimum twenty (20) years. Supplier shall ensure the records are stored securely, are legible and retrievable. Records shall be available for inspection by Ibsen upon request.

16 Terms and Conditions of Purchase

General Terms and Conditions for purchase orders can be found at:
https://www.ibsen.com/logistics/supplier-general-terms-and-conditions

Any Manufacture and Supply Agreements or other contractual agreements in place between Ibsen and Supplier will supersede the “Supplier General Terms and Conditions” referenced above.

17 Revisions

Version	Changed by	Short description of change
1	2019-11-16/HSA	First version
2	2020-11-13/HSA	Section 15 on retention of records expanded to cover customer requirements