

GlobalFoundries' Supplier Handbook

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People around the world rely on semiconductor chips every day, throughout the day, and most do not even know it. Chips are everywhere — inside everything from appliances to thermostats, smartphones to automobiles, and industrial equipment to medical devices. In fact, just one automobile may have as many as 1,500 chips. These incredibly complex feats of human ingenuity power our world, fuel the global economy and enrich our lives.

At GlobalFoundries (GF), we know that our role as one of the world's leading semiconductor chip manufacturers is vital to humanity, and we take that role seriously. We are redefining innovation and semiconductor manufacturing by developing feature-rich process technology solutions that provide leadership performance in pervasive high growth markets.

GlobalFoundries recognizes the critical role our suppliers play in an increasingly competitive environment, that requires continual innovation, an unyielding quality mindset and a strong commitment to meet customer expectations. GlobalFoundries aims for a strong collaborative relationship with our suppliers that enables mutual trust and benefit, and includes alignment on performance expectations, sharing of data and risks, and cooperation to drive continuous improvement.

In this Supplier Handbook, we provide a high-level overview of our Supplier Management Program. This program guides our journey to build a high-performance supplier base in key segments that will strengthen our competitive position in the marketplace. Based on clearly communicated expectations and aligned goals we can continue to meet or exceed the expectations of our customers and improve GlobalFoundries' and our suppliers' performance in all aspects of our QCOST (Quality, Cost, Operations, Service and Technology) approach.

We welcome our suppliers to Create, Partner, Embrace and Deliver together with us.

Thank you,

David Reeder

Senior Vice President & Chief Financial Officer
GlobalFoundries

John Lepper

Vice President, Global Quality
GlobalFoundries

Introduction

About us

GlobalFoundries is one of the world's leading semiconductor manufacturers and the only one with a truly global footprint. As a steadfast partner, with a unique mix of design, development and fabrication services, GlobalFoundries works collaboratively alongside our customers to bring a broad range of innovative products to the market. With a global customer base, a talented and diverse workforce and an at-scale manufacturing footprint spanning three continents, GF is delivering a new era of more.

Our vision

We are changing the industry that is changing the world.

Our mission

At GlobalFoundries, we innovate and partner with our customers to deliver process technology solutions for all humanity. We manufacture semiconductors around the globe.



14 locations

spread across three continents



6 technology platforms

supporting thousands of specialized application solutions



200+ global customers
100+ global partners

with many of today's leading semiconductor companies



~15,000 employees

making up a talented, diverse global workforce

Our values

We approach our work and our relationships with unyielding integrity and four key principles.

Create

- Innovate beyond what is possible today
- Differentiate our technology to enable customer success
- Have a passion for problem-solving
- Increase value for our customers and our shareholders

Embrace

- Diversity is our competitive advantage
- Respect is how we treat everyone
- The best ideas come from being inclusive
- The best work comes from acting with shared sense of purpose

Partner

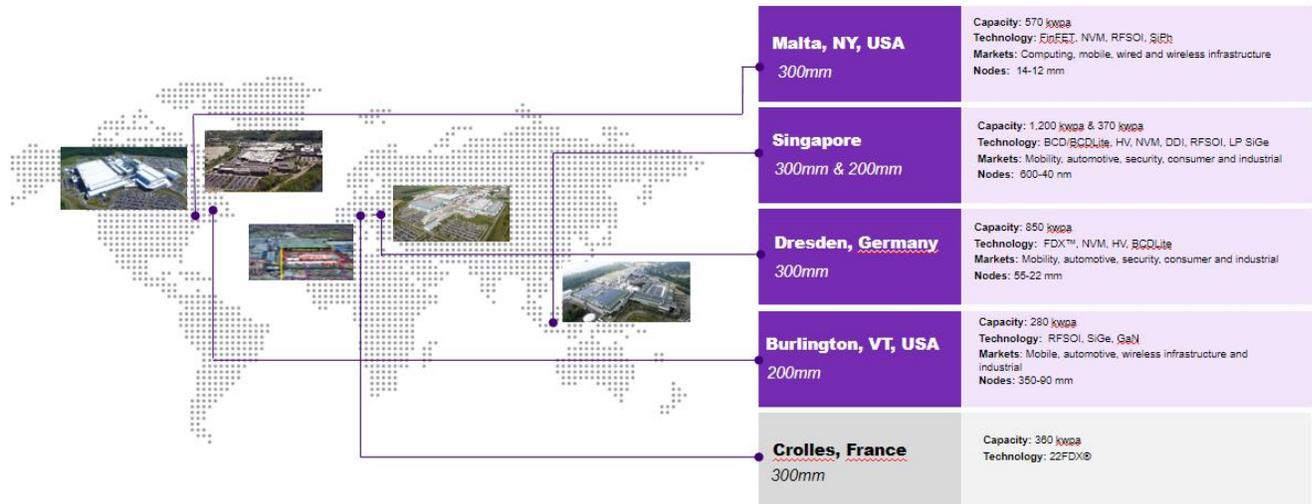
- Collaborate across all borders and boundaries
- Strive for win-win outcomes
- Build trust as the basis of every relationship
- Deliver on our commitment every time

Deliver

- Work effectively, efficiently and decisively
- Focus on outcomes and stay accountable for results
- Celebrate and reward success
- Stay safe—nothing matters without it

Our manufacturing locations

GlobalFoundries provides manufacturing services worldwide with locations in the US, Europa and Asia.



Our supplier interacting organizations

Several GlobalFoundries' organizations interact with our suppliers to ensure that goods and services are delivered according to the agreed upon requirements. The table below shows the key supplier interfacing processes and which GlobalFoundries organization coordinates the related activities with our suppliers.

Process	Responsible GlobalFoundries' Organization
Sourcing & Contract Management	Global Supply Chain (GSC)
Purchase Execution (PO)	
Business Continuity Planning	
Supplier Performance Management	
Incoming Quality Validation	Global Supplier Quality & Material Engineering (GSQE&ME)
Handling of Non-Conformance	
Supplier Audits	
Change Management	
Forecast, Inventory Management, Goods Receipt	Integrated Supply Chain (ISC)
Invoicing	Finance Accounts Payable

For more details about GlobalFoundries, please visit our website gf.com



General expectations

GlobalFoundries' general expectations and mandatory requirements are summarized in GlobalFoundries' Supplier Code of Conduct. We expect our suppliers to acknowledge this document as part of our supplier onboarding process and when suppliers participate in a Sourcing Event such as a Request for Quotation (RFQ).

GlobalFoundries Supplier Code of Conduct can be found at gf.com under GF Communities / Suppliers.

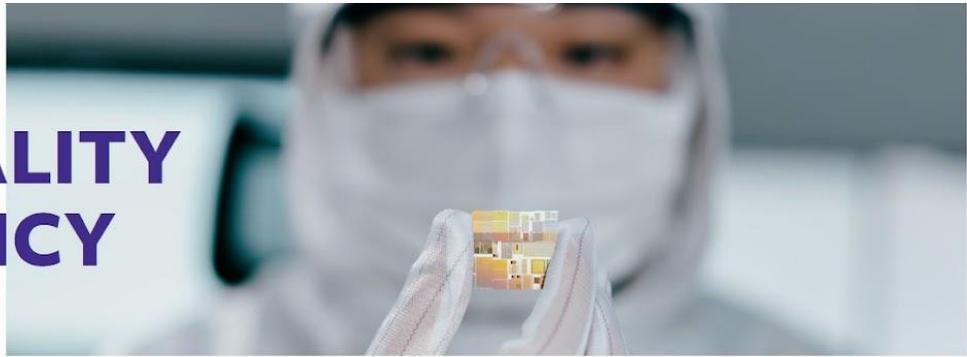
Quality management

Many of GlobalFoundries' products ultimately land in safety-related systems, including aviation applications and automated driver assist systems. No room for failures exists in these applications. GlobalFoundries cannot rely on inspections to detect defects or failures. Preventive action and the continual improvement process must ensure that no defects are created.

GlobalFoundries expects each supplier to understand the role they play in providing our customers with zero-defect products and we seek 100% commitment of our suppliers to GlobalFoundries' Quality Policy.



QUALITY POLICY



Our customers' partner of choice

Our customers choose us because we are recognized as the best in class.

The Zero Excursion, Zero Defect Mission

<p>Customer first, quality always</p> <p>We are committed to exceed our customers' quality expectations through complete understanding of their requirements.</p>	<p>First time right</p> <p>We facilitate flawless execution through a skilled workforce, process methodology deployment, and global best practice sharing.</p>	<p>Continual Improvement</p> <p>We drive for zero defects through the process maturity continuum of correcting, controlling, improving, preventing, anticipating.</p>
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Standard compliance requirements

ISO9001 is the basis of the GlobalFoundries' quality assurance system for all organizational units, including its external manufacturing facilities and suppliers. GlobalFoundries adopts IATF16949 as the automotive quality assurance system for process control with the focus on error prevention.

A new supplier or new manufacturing site providing materials, parts, equipment or services to GlobalFoundries' manufacturing processes must be at least ISO 9001:2015 QMS certified covering all supplier manufacturing sites. Wafer suppliers must be IATF 16949:2016 compliant (confirmed by third party) at a minimum unless waived by GlobalFoundries. It is the responsibility of the supplier to keep their ISO / IATF / other equivalent certificates up to date.

The supplier shall manufacture and test the delivered products in accordance with the most recent revisions of these quality standards. GlobalFoundries will monitor the status of the supplier to achieve ISO 9001 / IATF 16949 certifications (where applicable) during the following instances:

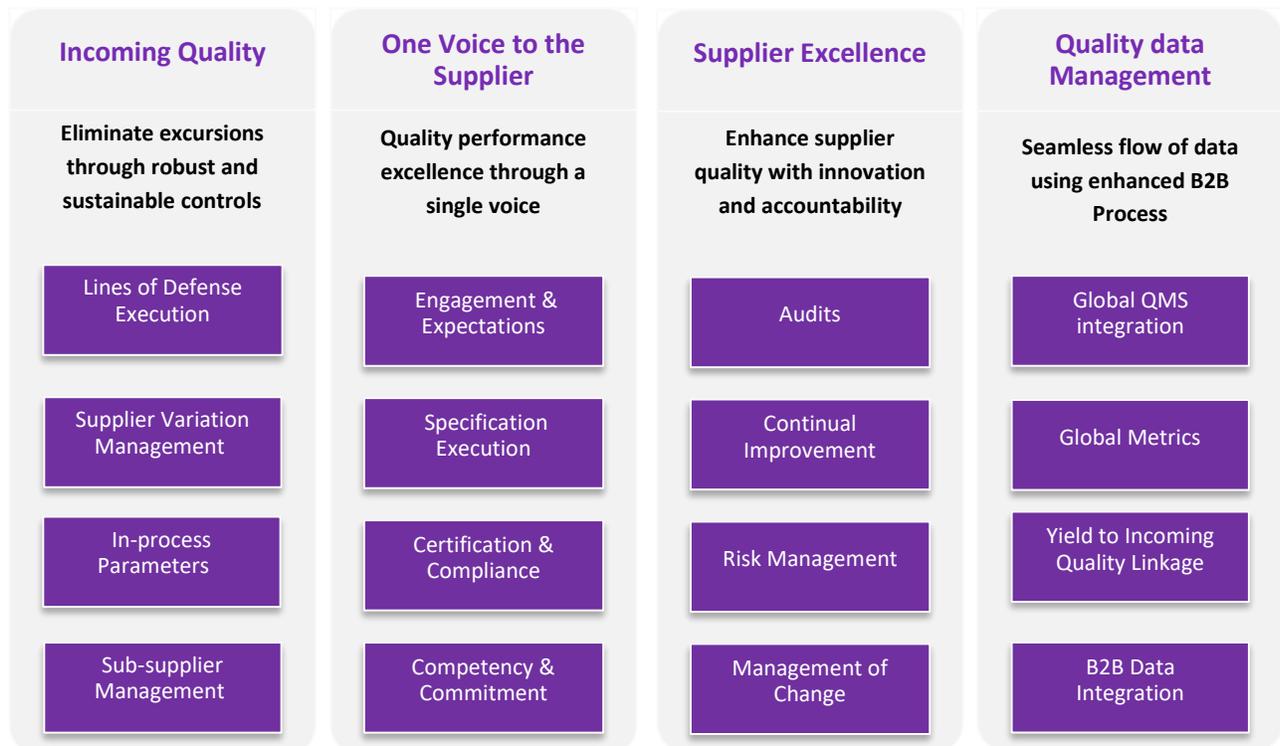
- Supplier initial qualification and evaluation
- Supplier audits
- Operational Business Reviews (OBR) for supplier performance rating
- Periodic review (quarterly) by GlobalFoundries

Supplier quality engineering framework

The 4-16 Strategic Quality Engineering Framework as shown below defines the key priorities for GlobalFoundries' supplier quality management to achieve automotive quality excellence and it applies to its full extent for all suppliers delivering goods to GlobalFoundries' manufacturing processes.

4–16 Strategic framework

To drive Zero Excursion Zero Defect with our suppliers and their sub-suppliers



- All supplier quality improvement activities link to the 4-16 framework and are reflected in the respective supplier performance rating.
- GlobalFoundries is committed to a Zero Excursion Zero Defect (ZEZD) program to cultivate an automotive quality mindset and to achieve world-class operations excellence.
- We demand to be proactive to prevent excursions and to anticipate problems and change by following the 5 step CCIPA approach of Correcting, Controlling, Improving, Preventing and Anticipating.

Supplier quality management tools

GlobalFoundries provides suppliers direct access to certain quality management tools on our Global-FoundryView platform. For access, please visit gf.com, scroll down to Portals, and select Global-Foundryview.

In Global-FoundryView you will find links to relevant specifications (AgilePLM), GlobalFoundries' corrective action system (iCAsE), the change management system (iChange), and the materials quality management system (MatQual).

Management of change

Changes are risky and GlobalFoundries' change management system is used to ensure the risk is eliminated or mitigated in a systematic fashion, so that GlobalFoundries' customers can consider, qualify, and approve proposed changes in a reasonable time frame.

Please find more details in QX-055 available in Global-FoundryView.

Control of non-conformances and corrective actions

Supplier must have a system in place to detect any abnormalities or non-conformance before shipment and to prevent delivery of suspect or non-conformance goods.

QX-042 defines GlobalFoundries' procedure to ensure that all material, which does not conform or is suspected to be not conforming to specifications, is controlled and dispositioning is made appropriately. Please find more details in Global-FoundryView.

In case of a non-conformance, GlobalFoundries will initiate a Supplier Corrective Action Request (SCAR) in iCAsE. Guidelines for suppliers on the SCAR process as well as GlobalFoundries' expectations are defined in QX-058 and OS-007684, that are also available in Global-FoundryView.

The procedure for implementing a corrective and preventive action follows the 8D problem solving method.

Supplier responsibilities are

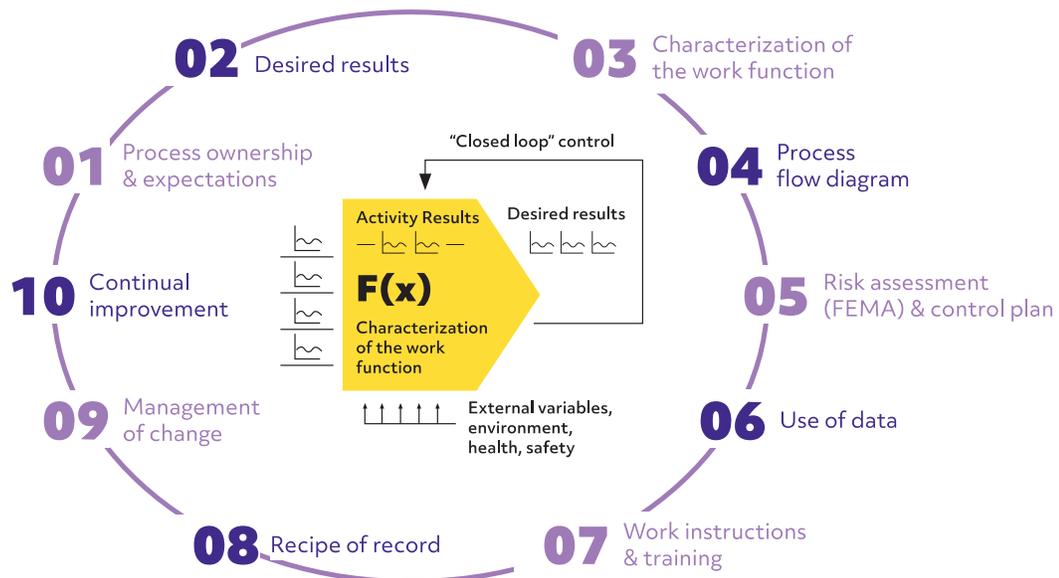
1. Provide containment actions within 24 hours to prevent any further negative impact to GlobalFoundries.
2. Commonality analysis in order to identify and block all suspect goods for shipment to GlobalFoundries.
3. Ensure continuous supply of known good material.
4. Provide symptoms analysis and hypothesis for potential root causes.
5. Organize immediate return of sample material for analysis.
6. Provide data to prove identified root cause.
7. Provide 8D report within agreed timeline.
8. Define effective corrective and preventive action plan to eliminate identified problem and escape root cause and prevent recurrence.
9. Provide data to prove the effectiveness of corrective and preventive action
10. Continuously achieve target of zero SCARs for Priority 1 and 2.

Supplier audits

GlobalFoundries performs periodic quality system audits. Audits will be planned on an annual basis using a risk-based approach to identify and prioritize suppliers. The audit plan will be reviewed and updated, if necessary.

Supplier Audit Approach:

1. VOICE of the Process
 - Product process flow from incoming materials to finished goods arriving at GF site, inclusive of all processes at the sub-supplier, supplier, and transit to the GF site
2. 10-step Process toolbox
 - Explores process robustness of every process step within the product flow



The supplier is required to:

1. Support GlobalFoundries' supplier audits by providing all requested information right in time before the audit.
2. Give access to all necessary information during the audit that is needed to perform the audit.
3. Provide 8D report for all identified Major Nonconformities.
4. Identify the root cause for all audit findings and define appropriate corrective and preventive actions.
5. Ensure that all defined actions are implemented within the date committed and to verify their effectiveness.
6. Provide evidence for the effectiveness of implemented action.
7. Supplier must sign the audit findings and closure report (template attached to the spec) to confirm all findings have been understood and accepted by the Supplier.

Audit scoring and Results	
> 90 %	Pass with excellent result – ANTICIPATING
80 – 89 %	Pass with good result – PREVENTING
70 – 79 %	Pass with satisfactory result – IMPROVING
60 – 69%	Failed with few elements with satisfactory results – CONTROLLING
50 – 59 %	Failed - Immediate actions needed – CORRECTING
< 50%	Failed – Disqualified

Sub-supplier monitoring and audits

Suppliers providing materials to GlobalFoundries' manufacturing processes should maintain a sub-supplier / sub-contractor management system in compliance with GlobalFoundries QX-074, including sub-supplier / sub-contractor ISO9001 certification. This sub-supplier / sub-contractor management must encompass the following elements but not limited to:

- Qualification/disqualification process
- Material specifications
- Approved supplier list
- SPC (Statistical Process Control) reporting and ship to control
- Outgoing Quality assurance and inspections
- Incoming quality assurance
- Management of change
- Noncompliance process (8D process)
- Early warnings
- Audits

If the supplier has outsourced or decides to outsource any process that affects product quality and delivery to GlobalFoundries, the supplier must obtain GlobalFoundries approval.

The supplier must also demonstrate full compliance to all GlobalFoundries' requirements in the case of outsourced manufacturing and/or services, covering all manufacturing and post-manufacturing sites prior to delivery to GlobalFoundries.

Sourcing at GlobalFoundries

GlobalFoundries is committed to maintaining an equitable and competitive business environment. We select our suppliers fairly and ethically.

Implementing new suppliers or materials in GlobalFoundries' manufacturing processes happens in two phases:

- Phase I: Engagement and Selection Phase
- Phase II: Qualification Phase (if applicable)

The sourcing process enables GlobalFoundries to review suppliers and select the most qualified based on the supplier's performance and the needs of GlobalFoundries. The process begins with the definition of the sourcing requirements. GlobalFoundries' commodity manager or the sourcing team will review the current supply base and determine if there are any current suppliers that meet our business needs. Our goal is to direct new business to our preferred or approved suppliers.

The Request for Information, Proposal or Quotation (RFI/RFP/RFQ) process is used to evaluate the current market situation and to select new suppliers. In the event a new supplier is awarded the opportunity to do business with GlobalFoundries, registration in GlobalFoundries' Sourcing and ERP (Enterprise Resource Planning) software is required.

Equipment, parts and materials that impact the manufacturing process must align with GlobalFoundries qualification rules. Additional requirements may apply depending on the nature of the sourced goods and services.

Supplier diversity & inclusion

The GlobalFoundries supplier diversity program promotes business opportunities for diverse suppliers in the various communities we serve. By creating sound business relationships, we strengthen economic development and viability for all parties while providing a value-added strategy that creates a competitive advantage. The supplier diversity program is an important part of our sourcing efforts. This program helps to:

- Match qualified diverse suppliers with the needs of our internal business partners.
- Build long-term business relationships with individuals that are reflective of our communities.
- Create business opportunities for diverse suppliers.
- Become more competitive in a diverse marketplace.

We are dedicated to fair and open competition in sourcing. As part of our sourcing process, the procurement team provides our internal business partners with a list of qualified, diverse suppliers to consider. The following categories are recognized as part of the supplier diversity program:

- Disabled-owned businesses enterprise (DOBE)
- Historically Underutilized Business (HUB) Zone business
- Minority-owned business enterprise (MBE)
- Service-disabled veteran-owned business enterprise (DVBE)
- Veteran-owned business enterprise (VBE)
- Women-owned business enterprise (WBE)
- Disadvantaged owned business enterprise (DBE)
- Lesbian-Gay-Bisexual-Transgender owned business enterprise (LGBTQE)

Our Supplier Diversity Program includes the key elements below:

- Executive sponsorship – A program sponsored by the head of the Global Supply Chain (GSC) organization.
- Utilization – We integrate strategies to include diverse suppliers in competitive sourcing opportunities.
- Tracking – We monitor and report our progress towards achieving our program targets with emphasis on continual improvement.
- Qualification – We verify that businesses are certified by approved third parties to meet the criteria of ownership and qualify as a diverse supplier.
- Outreach – We seek out diverse suppliers through active involvement with minority development organizations.
- For more information on the GF supplier diversity program, contact the Global Supply Chain compliance team: GSMHelp@gf.com.

Responsible sourcing

GlobalFoundries is committed to responsible and ethical sourcing practices and follows applicable responsible sourcing laws and regulations. Please review GlobalFoundries' Supplier Code of Conduct at GF.com under GF Communities/Supplier for our mandatory sourcing requirements. In particular, we require our suppliers to conform to the RBA (Responsible Business Alliance) Code of Conduct (<https://www.responsiblebusiness.org>) requirements, including respecting human rights, prohibiting forced and child labor and meeting or exceeding all labor, safety and health, environmental and ethical standards.

RFI/RFP/RFQ process

GlobalFoundries' Global Supply Management organization has the ultimate responsibility in selecting suppliers. Where required, we will use a multidisciplinary approach for supplier selection, including internal stakeholders, e.g., Quality, Technology Development, Manufacturing, and Logistics.

Potential suppliers are required to abide by the following pre-requisites for a sourcing event that are listed (but not limited) to:

- a. Confirm that a Non-Disclosure Agreement (NDA) is in place.
- b. Confirm that any purchase resulting out of the sourcing event will be governed by GlobalFoundries' terms and conditions and any applicable contract between supplier and GlobalFoundries.
- c. GlobalFoundries reserves the right to award or not to award any portion of the business, in any combination, for any reason.
- d. Acknowledgment of GlobalFoundries' Code of Conduct.

In situations where the supplier does not manufacture the material supplied and acts as a distributor or agent, it shall be mandatory for the supplier to comply with the following conditions:

- a. The distributor or agent shall have the capability to cascade and enforce GlobalFoundries' requirements and specifications to their suppliers or manufacturers, including the requirement for their manufacturer to be ISO 9001 certified.
- b. The distributor or agent shall disclose the name and location of the manufacturer of the material supplied for GlobalFoundries risk mitigation.

Depending upon the requirements, a sourcing event may involve Request for Information (RFI), Request for Quote (RFQ), Request for Proposal (RFP) or Auction events.

For low value purchases and standard goods and services that meet our requirements, the selection can be made purely based on commercial terms. For high value purchases, especially with an impact on our manufacturing process, we will use the QCOST (Quality, Cost, Operation, Service, Technology) evaluation method for supplier selection.

If the evaluation of the supplier's quality management system requires an audit, the supplier will be contacted by GlobalFoundries' supplier quality organization. This could be done based on a questionnaire or a virtual or an onsite audit at the suppliers' site involved in the manufacturing and shipment of goods to GlobalFoundries.

Supplier should note that end users within GlobalFoundries can directly request budgetary quotations. However, our suppliers shall only engage with Global Supply Chain (GSC) in commercial negotiations.

Supplier Registration

Supplier registration must be completed prior to the following events:

- a. A new supplier participating in an online sourcing event.
- b. Transacting with the supplier in the ERP system which includes purchase orders (POs) and invoicing.

GlobalFoundries' supplier registration system will trigger the supplier with the requirements that need to be submitted to initiate the registration process.

Supplier shall complete the "Registration Form" online and attach all the mandatory supporting documents. Such requirements include (but are not limited to):

- a. Name of supplier
- b. Business address
- c. Key contacts, such as account manager, sales representative

- d. Commercial terms: payment terms and incoterms
- e. Documents supporting the company legitimacy such as registration documents
- f. Specific licenses (as required) by supplier to be able to provide the goods and/or services
- g. Bank account related information on a company letterhead

GlobalFoundries will conduct appropriate due diligence on corruption and bribery risks during supplier registration and may also assess the financial condition of suppliers. This may lead to requests for additional information.

Upon successful registration, the Global Supply Chain operations team will communicate the supplier ID to the supplier.

For any questions related to supplier registration please contact

America: usa.procops@globalfoundries.com
EMEA: emea.procops@globalfoundries.com
APAC: apac.procops@globalfoundries.com

Contracts

A procurement contract is the primary method of engagement in procurement transactions with our suppliers. Preference is for a “global agreement” that supports “local” purchase orders (POs). The following guidelines should be adhered to during the contracting process:

- a. GlobalFoundries strongly advocates the use of our standard templates for contractual agreements.
- b. An active NDA must be in place before sharing confidential data.
- c. Contracts are entered with a registered company and not with individuals or departments within a company.
- d. Preference for contracts with the mother company where groups of companies are involved.
- e. Procurement contracts are created in our procurement system and we use an e-signature workflow to execute the contract.

Qualification requirements

Qualification is always required for all goods used in GlobalFoundries’ manufacturing process prior to the first production shipment in the following situations:

- a. Qualification are initiated by GlobalFoundries for the sourcing of
 - new material, service, or equipment supplier
 - new or modified material, service or equipment not previously supplied to GlobalFoundries
 - material, service or equipment being re-qualified which was disqualified due to major quality problem or production delivery time lapse
- b. Qualification due to a change in the manufacturing of the material, service, equipment, or process flow proposed by a supplier. These changes may include but are not limited to:
 - change in a quality conformance procedure
 - change in the site of manufacture
 - new tooling
 - change/addition/deletion of a process step
 - source change for raw material or for the Bill of Material (BOM) suppliers
 - change in raw material composition• change to handling, packaging, or storage methods

GlobalFoundries’ supplier quality organization will share details on required qualification procedures, when applicable.

Supply of goods and services to GlobalFoundries

Please review GlobalFoundries' Supplier Code of Conduct for all mandatory Environmental, Health and Safety requirements prior to any delivery of goods or services to GlobalFoundries.

Product safety

Prior to any material delivery of chemicals or gases the supplier must provide a Safety Data Sheet (SDS), that is GHS (Global Harmonized System) compliant. SDS shall include the status of all chemicals with regards to registration under the Toxic Substances Control Act (TSCA) and / or EU REACH Regulation (EC 1907/2006). Supplier shall either indicate that all ingredients are listed in the TSCA Inventory, or provide specific conditions that are applicable (such as R&D exemption, Low-volume exemption, etc.) (United States only).

The supplier must provide the updated chemical or gas SDS to GlobalFoundries in the case of changes relevant to the SDS content, or at least every three years upon qualification.

All chemicals delivered to GlobalFoundries Fabs must be labelled in accordance with applicable international and national regulations. All safety instructions relating to the raw materials must be shown clearly in English on the packaging. The material description or the name of material in the SDS must be the same on the package label.

All chemical and gas suppliers must indicate chemical safety warning signage in accordance with local legal requirements.

Shipment of goods

GlobalFoundries expects goods to be handled and packed in conformance with good commercial practice. Suppliers need to comply with GlobalFoundries' specifications, government regulations (including those applicable to chemicals and hazardous materials) and other applicable requirements.

Supplier shall ensure that all shipments include order number and a packing slip stating the exact quantity and description of the products consistent with the information on the invoice.

All sample deliveries must be clearly marked as "sample" on packaging.

Unless otherwise agreed upon, shipments shall be DDP (Delivered Duty Paid as defined in Incoterms 2010) at GlobalFoundries' ship-to location and no charge shall be allowed for packing, crating, freight, express charges, cartage, containers, or storage.

Supplier shall be responsible for any loss or damage due to its failure to handle, pack and package the goods in a proper and lawful manner.

For all shipments which are made by vessel into the United States of America, U.S. Customs and Border Protection requires that an Importer Security Filing (ISF) be filed no later than 24 hours before the cargo is laden aboard the vessel at the foreign port (see 19 C.F.R. §149.2). For DDP shipments it is the responsibility of the Supplier to file the ISF.

OTD expectations

GlobalFoundries requires suppliers to strive for 100% On-Time Delivery (OTD) performance based on the suppliers' acknowledgement of orders. GlobalFoundries will check supplier's delivery performance and request correction actions when appropriate.

Suppliers should take the necessary actions to avoid premium freight charges. If premium freight is charged to GlobalFoundries and cannot be avoided, the supplier shall contact GlobalFoundries and receive approval prior to shipment. Failure to comply may result in premium freight charges debited to the supplier's account.

The supplier shall immediately inform GlobalFoundries in case of delivery issues (delay, loss, deviation from order) as soon as the supplier has knowledge of this issue.

GlobalFoundries expects proactive, early-in-time and detailed communication by the supplier's representative for all changes, issues, and topics.

The supplier shall provide a communication matrix to GlobalFoundries — which should be updated and resent by supplier if changes to responsibilities occur.

Stock level

The supplier must use its best efforts to ensure a consistent, uninterrupted supply to GlobalFoundries.

If agreed upon between GlobalFoundries and the supplier, a defined minimum and maximum stock level will be maintained at the specified warehouse and the determined stock level should be replenished within an agreed timeframe.

GlobalFoundries expects suppliers to implement a continuous supply chain inventory as well as consumption monitoring to avoid any violation of minimum stock level and to provide a weekly inventory and delivery report, if requested by GlobalFoundries.

Items that have a high turnover rate shall be maintained in consignment at the GlobalFoundries warehouse or another mutually agreed upon storage location.

Invoicing

GlobalFoundries' standard payment terms are 60 days.

Invoices shall be itemized, submitted in duplicate and contain the following information:

- PO (Purchase Orders) number or Document number on the face hereof
- bill to company name/address
- tax identification
- ship to company name/address
- invoice date
- item number
- description of goods and services, sizes, quantities, unit prices, and extended totals

GlobalFoundries highly recommends submitting invoices to GlobalFoundries' iSupplier portal. Details on how to use this are shared as part of the supplier registration process.

There is also an electronic receipt settlement process available (ERS) for items in inventory.

Quality requirements

For materials, parts, equipment and services used in GlobalFoundries' manufacturing, processes special quality and incoming inspection requirements apply and will be shared during the qualification process.

For all goods delivered to GlobalFoundries' manufacturing full traceability by manufactured lot (at a minimum) is required throughout the complete supply chain.

Business continuity plans

Supply chain control strategy

Suppliers delivering goods and services which impact GlobalFoundries' manufacturing are expected to develop documented business continuity and disaster recovery plans that enable the supplier to continue to perform critical functions and/or provide services in the event of an unexpected interruption. These plans should be verified and updated through periodic business continuity assessments.

GlobalFoundries expects suppliers to perform regular risk assessment and implement risk mitigation actions for their production and supply chain processes. Upon request, the supplier shall provide their business continuity plan (BCP), including any disaster recovery plans that describe measures to ensure continuous supply to GlobalFoundries. For critical supplier, including our strategic, emerging and core suppliers as defined in the *Supplier Performance Management* section of this document, GlobalFoundries' business continuity questionnaire needs to be completed annually.

Supplier must immediately notify GlobalFoundries of any emergency leading to activation of supplier's disaster recovery procedures or imposing risk to regular supply of materials. Suppliers should proactively provide appropriate risk assessments, and applicable contingency plans to ensure materials supply on standard quality levels and impact recovery. A dedicated task force must be established until supply is returned to normal mode.

Upon request by GlobalFoundries, supplier shall allow access to manufacturing sites (by GlobalFoundries or a third-party risk engineer of GlobalFoundries' selection) for review, assessment and confirmation of risks and mitigation features reported according to Supply Chain Control Strategy.

Supplier temporary shutdown

The supplier must immediately inform GlobalFoundries of any planned or unplanned shutdown activity that leads to capacity reduction. This also includes sub-supplier shutdowns that impact on the delivery of goods or services to GlobalFoundries. The supplier shall create adequate stock and provide a detailed delivery plan to demonstrate supply continuity prior to, during, and after the shutdown activities. Back-up plans must be available and ready to implement in case of unexpected events.

Supplier shall provide appropriate risk assessment and mitigation activities to ensure that the quality level of all materials remains at standard production levels during and after the shutdown.

Supplier performance management at GlobalFoundries

GlobalFoundries strives to establish long-term working relationships through performance expectations and measures, performance feedback, and continual improvement plans.

We aim to build a high-performance supplier base in key segments that will strengthen our competitive position in the marketplace, centered on mutual benefit and trust.

Supplier segmentation

GlobalFoundries reviews the supplier base annually to determine strategic, emerging, core and base suppliers.

Our strategic suppliers are considered long-term partners with whom we have a deep, cross-functional, collaborative partnership. These suppliers have a significant impact on GlobalFoundries' ability to meet our end customer expectations.

For our strategic suppliers GlobalFoundries drives and expects:

- High-performing team engagements and open collaboration that allows successful execution of key targets and objectives.
- Investment in mutually beneficial outcomes for the success of GlobalFoundries' customers, sustained growth and profitability.
- Achievement of best-in-class quality, zero excursions, and minimal supplier caused waste.
- Sharing and transparency of data, technology roadmaps, and innovations.

For strategic suppliers, GlobalFoundries:

- Offers long-term sourcing opportunity and first and last right of refusal.
- Shares forecast (financial, volume) and technology plans.
- Assigns executive sponsors and ensures a cadenced senior or executive management communication with local and global executive business reviews.

Our emerging suppliers provide GlobalFoundries with a potential competitive advantage and are a disruptive force in our supply base. They allow us to reduce cost of ownership, improve product performance, quality, technology, and other key deliverables.

Emerging suppliers may be new entrants to the market or region and interested in collaborating with GlobalFoundries to grow their business and capabilities.

For emerging suppliers, GlobalFoundries:

- Is committed to the development of the suppliers.
- Assigns executive coaches and ensures a cadenced senior or executive management communication with local executive business reviews.

Our core suppliers provide essential goods or services. Any interruption in supply or service could result in a significant impact on GlobalFoundries.

GlobalFoundries drives and expects:

- Focus to maintain a targeted level of performance related to Quality, Cost, Operation, Technology (QCOST) & Business Continuity.
- Understanding of the unique needs of the semiconductor industry and adjustment of their offerings or services so GlobalFoundries is incentivized to solicit and maintain return business.

For core suppliers, local executive business reviews are conducted based on the business volume and specific business requirements.

From our base suppliers we expect a strong 'basic offering' portfolio that meets GlobalFoundries' needs.

Global supplier performance rating (GSR)

The purpose of the GSR is to rate and evaluate the performance of our strategic, emerging and core suppliers and to conduct regular business reviews to drive continual improvement within our supply chain. For strategic and emerging suppliers, that performance rating is shared semi-annually and for core suppliers annually.

The rating is based on defined criteria in the categories Quality, Cost, Operations, Service and Technology (QCOST) as well as Business Continuity Planning (BCP) and will include stakeholder feedback from each manufacturing site of GlobalFoundries in which the supplier's goods and services are used.

For each rating period, the key performance indicators and targets are aligned in Operational Business Reviews (OBR). OBRs are also used to review performance throughout the year and to drive required improvement activities.

The supplier performance rating is classified into four levels: excellent, good, satisfactory, and unacceptable performance. Suppliers with excellent ratings qualify for a supplier award, while for a supplier with an unacceptable performance in one of GlobalFoundries' manufacturing sites improvement actions are initiated and executed.