Applicable Requirements to the Suppliers

Preface

The competitiveness and position of **HellermannTyton** in the world market is decisively influenced by the quality of its products. The faultless quality and reliability of purchased products (components, raw materials), or associated services, have a direct influence on the quality of **HellermannTyton**´s products.

These *Applicable Requirements to the Suppliers* is a contractual statement of the fundamental technical and organisational conditions governing all deliveries and services to **HellermannTyton** that are required in order to achieve the intended quality objective of "zero defects". It describes the minimum requirements that are placed on the supplier's quality management system.

The conclusion of these *Applicable Requirements to the Suppliers* represents an indispensable step for a future business relationship with **HellermannTyton**.

Contents

1 Supplier's responsibility for the quality of his products and services

The supplier is responsible for providing products and services which are free from defects, in accordance with the technical documents agreed in writing (see *Section 3.1*). The supplier must check that the documents are complete and correct and, where necessary, request further information from the customer. The supplier must be aware of the requirements placed on the product and obtain information from the customer if any issues are unclear.

If the supplier places orders with subcontractors, he is under obligation to implement the requirements of these *Applicable Requirements to the Suppliers* in relation to his subcontractors. Subcontractor has to establish resp. maintain a QM System based on ISO 9001.

The quality strategy of the supplier must be oriented towards continuous improvement of his processes and services. The objectives are "zero defects", 100% delivery performance and the reduction of costs.

The supplier has unlimited responsibility for the product or service supplied by him.

The supplier also undertakes to meet promised deadlines, e. g. for delivery of samples, introduction of corrective measures and distribution of APQP Status Reports.

2 Quality management system

2.1 General

As supplier of **HellermannTyton**, certification to *ISO 9001* is a fundamental requirement for all suppliers.

In order to qualify for classification as a strategic supplier and thus special consideration when orders are placed, the supplier undertakes to develop his quality management system in line with *ISO/TS 16949*.

In individual cases, other certificates can be contractually agreed for certain sectors, e. g. aerospace, rail or medical technology, depending on the product application.

HT France, its customers and all the official authorities have to have the rights to access the installations of the supplier (whether it is on its site or those of its own suppliers).

For the case or HellermannTyton would undergo penalties of non-quality parts towards an end customer, attributable in a non-compliance for which the supplier is responsible and that he acknowledges it, HellermannTyton can ask to the supplier for a compensation of the caused damage. The amount of this compensation will be considered individually but can go to an amount equivalent to the penalties received on behalf of this end customer.

Further to a non-compliance detected by HellermannTyton or its customers, if sortings turned out to be necessary, HellermannTyton reserves the right to ask to the supplier to make these sortings or to make do the sortings by a temporary employee on the site of HellermannTyton and re-charge the costs associated to the supplier.

2.2 Evidence of the quality management system

The supplier must take responsibility for presenting his certificates to the relevant Quality-Contact and give notification of updates immediately after expiry of the period of validity or withdrawal of the certificate.

2.3 Checking the quality management system, process and product quality

The supplier must conduct internal process and product audits at regular intervals.

If the supplier is found to have quality deficiencies or system weaknesses, the customer has the right to check compliance with his requirements at the supplier's and / or its subcontractors' premises. Depending on the situation, this check can be carried out in the form of a technical discussion, quality discussion or of a system or process audit and is agreed with the customer in good time before its planned implementation.

Where necessary, the customer is also entitled to examine the supplier's quality assurance measures together with a representative of the end customer following prior agreement of an appropriate date.

The supplier shall grant the customer access to the relevant areas and permit viewing of the corresponding documents.

3 Fundamental preconditions and measures

In order to detect sources of defects as early as possible, specific preventive measures must be introduced even before the start of production. Defects occurring in production must be detected in good time to allow the introduction of suitable immediate measures for their prevention.

3.1 Technical documents

The quality characteristics to be complied with are defined in the technical documents, such as drawings, material specifications, product supply guidelines, and delivery conditions, instructions valid for ordering, process guidelines, design briefs and design specifications from the customer. The customer shall always provide the supplier with the latest technical documents in printed or data form.

The supplier is under obligation to ensure that production and inspection is carried out in accordance with the documents available to him and agreed with him.

3.2 Duty to supply information on substances

The inspection report for initial mass production samples must include confirmation that the materials used and their substances comply with the customer's requirements where the environment, recycling and safety are concerned.

The substances of the product must be specified in the *International Material Data System IMDS* (www.mdsystem.com):

The corresponding *IMDS* ID no. (Identification number) must be entered in the *Part Submission Warrant*.

3.3 Production process and product release procedure

A *Production Process and Product Release Procedure* is to be used by the supplier as a means of proving that all product requirements agreed with the customer are being met.

This method applies to the processes involved in the manufacture of products (raw material, semi-finished products, components and chemical operating materials) and to services such as coating or heat treatment for example. The release comprises an assessment of the production process or service based on the relevant documents, records and initial mass production samples, to ensure that the requirements / specification are met.

3.4 Process control and volume production inspection

The supplier must use suitable control methods, such as records generated parallel to mass production. Process parameters which can have a negative effect on product characteristics, such as heat treatment, welding or plastic injection moulding, must also be documented accordingly. Process interruptions, for example broken tooling and measures governing quality must also be clearly visible from the records.

The supplier is under obligation to take random samples at regular intervals and to document the results. For a batch to be accepted, the random sample must not contain any defective products ("zero defect“principle).

For economic reasons and with the aim of minimising defects, the customer expects the supplier to continuously improve his processes.

3.5 Detection of defects at the supplier’s premises

If, at the supplier’s premises, the product or service to be supplied is found to have a defect, the supplier must interrupt and correct the process immediately. In this instance, all products manufactured since the last random sample inspection that gave a positive result (last good part) must undergo a 100% inspection. Defective products must be secured without delay and stored in a safe place ("quarantine store“) until the cause of the defect has been resolved. All corrective measures introduced must be clearly documented in the records.

If, following a subsequent inspection, the defective products cannot be reworked then these must be scrapped. In the event of rework, all stipulated volume production inspections must be carried out.

If, upon containing the defective quantity, it is found that defective products may already have been delivered to the customer, the relevant quality assurance departments at the customer’s recipient plants must be notified immediately and a further course of action clarified.

3.6 Request for special release

In the event of deviations from the product or service specification (drawing, technical delivery condition, material, material properties etc.), or from the approved process, the supplier must apply to the customer for a special release before the products are dispatched.

Written consent must be obtained from the customer, via the contact person.

3.7 Request for modification approval

In the event of planned changes to products, processes, materials, tooling or production site (transfer), the supplier is under obligation to submit an application to the contact person

3.8 Detection of defects at the customer’s premises

If defective products are only detected once they have reached the customer, the supplier is under obligation to introduce appropriate measures immediately to contain the defect.

The customer notifies the supplier of a complaint in writing or in text form, e.g. in the form of an inspection report. The subsequent complaint analysis and generation of effective corrective measures takes place.

Complaints are incorporated into the supplier evaluation (Supplier Score Card), which represents an important decision-making criterion for the customer in the placement of new orders.

The supplier is liable for any damage or expenditure resulting from the delivery of defective products or services. The customer is entitled to substitute performance at any time, after first notifying the supplier, in particular with regard to sorting / rework.

3.9 Escalation process

In the event of cumulative quality problems or repeat concerns, the customer is entitled to place increased demands on the inspection of goods at the supplier's premises or to introduce other measures, which may even culminate in the termination of the contract.

3.10 Packaging and marking

The supplier is responsible for protecting the products supplied by him and must use suitable packaging / external packaging and means of transport. At delivery, both the (external) packaging and the products themselves must be marked in accordance with the agreements made with the customer and the customer’s valid packaging specifications.

Details can be found in our shipping and packaging agreement.

3.11 Traceability

Supplier has to maintain a system for traceability of his, which are delivered to the customer.

3.12 Requalification inspection

All products must undergo a full dimension and functional check, performed annually by the supplier in accordance with the control plan, whilst taking account of the customer specifications for material and function. The results must be made available to the customer on request.

3.13 Archiving of records

For the purposes of traceability in the event of a quality defect, the supplier is under obligation to store quality records generated parallel to production, e.g. measurement records, material test certificates or other test results, in a safe place for a minimum of 3 years after their creation.

Documents and records relating to quality services for characteristics requiring documentation must, however, be stored in a safe place for at least 3 years. Characteristics requiring documentation are clearly marked in the technical documents (drawings and specifications).

This only applies to cases where longer statutory periods are not envisaged.

3.14 Inspection equipment

The supplier is under obligation to equip himself with inspection equipment which allows him to check all product characteristics. If an external company is used, this must be appropriately accredited to carry out inspections.

Where necessary, inspection equipment and inspection methods should be matched between the supplier and the customer.

3.15 Environment, safety, recycling

An objective of the customer is to eliminate negative effects on people and the environment due to his products and those purchased by him. The supplier is under obligation to comply with the relevant valid laws and directives.

Certification to ISO 14001 is desirable

3.16 Checking of contractual products supplied

The supplier is responsible for delivery of the contractual products ordered in accordance with the specification. Goods received in the customer's Goods Inwards facility are checked with regard to quantity and identity as well as transport and packaging damage. The supplier is notified of any detected deficiencies without delay.

Furthermore, the customer will check the goods supplied in parallel with production depending on the feasibility of an acceptable business operation and notify the supplier of any deficiencies occurring immediately after their detection. In this respect, the supplier waives the objection of delayed complaint or fault.

3.17 Delivery performance

The supplier is under obligation to comply with and monitor the agreed quantities and dates. If he establishes that it will not be possible to supply the ordered delivery quantity on the agreed date, the customer’s contact person stated in the order must be informed immediately.

Deviations from the agreed delivery date and agreed quantity are also fed into the supplier evaluation, which represents an important decision-making criterion for the customer in the placement of new orders.

The supplier must assess his delivery performance to the customer on a regular basis – including cases associated with additional freight costs. This data must be made available to the customer on request.

3.18 Legal and statutory requirements

The external supplier has to meet the legal and statutory requirements of the countries of reception, shipping and address of the customer.

4 Term

These *Applicable Requirements to the Suppliers* shall enter into effect at the time of the execution thereof by both Parties and shall have an indefinite term. It shall be valid for the total business connection of the Parties.

5 Termination

Unless otherwise agreed, either Party may terminate these *Applicable Requirements to the Suppliers* as of the end of any given month by giving three months’ prior written notice to the other Party.

Termination of these *Applicable Requirements to the Suppliers* shall have no effect upon the continued validity of any agreements made by the Parties with respect to the supply of Contract Products pursuant to this *Applicable Requirements to the Suppliers*, the provision of these *Applicable Requirements to the Suppliers* continuing to be in full force and effect with respect to such agreements.

6 General provisions

- Any modifications or side agreements shall require written form.
- The contractual relationship shall be governed by the laws of the France. All disputes between the Parties shall be heard and resolved by a court of competent jurisdiction in Versailles, France.

Notwithstanding the foregoing, the Customer shall have the right to file legal actions against the Supplier in any other court of competent jurisdiction.

- In the event that any provision of these *Applicable Requirements to the Suppliers* is invalid or may become invalid, the validity of the remaining provisions shall not be affected thereby and shall remain valid.

The Parties commit themselves to replace any invalid provision with a valid provision that has a legal and economic result next to the original provision. Same regulation applies if there is a regulation missing within this agreement.

7 Appendices

The following appendices to the current version are an integral part of the contract

- For all suppliers, not certified ISO 9001, please join in appendix the certification commitment letter.