

1. Purpose and scope

This document defines the general requirements applicable to tkMF suppliers whose delivery affects the products or the final delivery of tkMF to its customers (including deadlines terms). The MPE division is not concerned by this document.

This document supplements all the information that may appear on tkMF orders and related documents including the General Purchase Conditions.

This document is contractual. It is referenced on purchase orders. It concerns any type of product purchased by tkMF.

This document must be returned signed within one month of receipt (see AR on the last page of this document). Without reply after this time, tkMF will consider that all the information contained therein is validated by the supplier.

These requirements are fully applicable in the absence of reservations made after their reception and before the execution of the first order by the external service provider.

Any reservations must be sent by email to the following address: qualite@thyssen.fr

In case of contradiction between the terms in this document and those of the contract and/or the order, the requirements of the contract and/or the order take precedence over the terms on this document. Any discrepancies must be the subject of a written agreement between tkMF and external service providers.

2. Terms and abbreviations used

tkMF: thyssenkrupp Materials France (concerns all the activity centers, without the OU MPE).

QHSE: Quality, Hygiene, Safety and Environment Management Systems.

External Suppliers: Includes suppliers of raw materials, subcontractors, suppliers of consumables (eg pallets, packaging ...).

HSE: Hygiene-Safety-Environment.

MPE : automotive division

3. Reference documents

ISO 9001 vs 2015 : Quality Management System.

EN/AS 9100/9120 vs 2016 : Quality Management System, Requirements for Aeronautics, Space and Defense Organizations.

CGA : General Conditions of Purchase (available on our website www.thyssenkrupp-materials.fr).

Code of conduct.

Confidentiality agreement.

4. Applicable documents

These requirements are complementary to the specific requirements established in the orders, and to the general terms and conditions of purchase EQ-TH-002.

Any additional specific requirements notified on an order (or purchase order), a market, a contract, etc. ... or the corresponding technical documents, prevails over the requirements of this document.

5. Purchases

The Purchasing strategy works to improve the economic and social performance of the company.

Our objectives are directed to the following:

- Work in cooperation with a limited number of competent, responsible and competitive suppliers in order to affirm our position as an industrial integrator / assembler, to satisfy our customers as part of a mutually profitable relationship and under optimal conditions;
- Ensure the flawless quality of our supplies through an adapted Quality system;

- Achieve delivery performance at 90% supplier service rate;
- Increase the contribution of our suppliers in all terms of the Purchase: payment terms, cost transparency, service, innovation, quality, productivity, ...
- Conquer new markets and strengthen our presence in industrial markets.

The implementation of its Purchasing, Quality and Health Safety Environment (HSE) strategies concerns the entire supply chain of tkMF and involves its suppliers in particular.
In their regard, the expectations of tkMF are:

- the satisfaction of its own customers (recipients of the final product),
- the delivery of compliant products within the prescribed deadlines at an optimized cost,
- the management of a continuous improvement approach according to the 3 QCD axes:
 - o Quality (Q): contain and treat non-quality issues by the application of recognized methods,
 - o Costs (C): improve the efficiency of its processes, a factor of increased competitiveness for tkMF and its customers,
 - o Deadlines (D): lean on a robust supply chain
 - o Security (S): allow our employees to work safely during the unloading and handling of the products received

In no event shall the content of this document provided by tkMF release the Supplier from the responsibility to comply with all customer, legal or regulatory requirements.

In general, the supplier is responsible for obtaining all documents (standards, regulations etc.), at the latest index in force.

Reminder : In this document, and in accordance with ISO 9001 (Chapter 3), when the term "product" is used, it may also mean "service".

6. Quality Management System

tkMF aims to guarantee the quality of the products it delivers to its customers. tkMF intends to involve its external service providers in this quality policy in order to meet end customer's requirements. For this reason, the supplier must have set up an organization that complies with the requirements of the standard(s) specified in the ISO 9001 and EN/AS 9100/9120 contracts.

Excluding exceptional cases, the service provider must be certified according to the requested standard(s) by an accredited third party organization. The service provider must at least be certified ISO 9001 vs 2015 and, for product orders regarding Aviation operations, at least EN 9120 vs 2016 .

Certifications must be sent to tkMF at each renewal.

tkMF encourages its service providers to certify their organization and can, in a spirit of partnership, share its experience in the subject.

Depending on the criticality of the products supplied and the certification level of the service provider, tkMF may formalize a verification delegation.

In the case of the outsourced activities involving with delivery of the product directly to tkMF's customers, tkMF delegates control to the subcontractor before release of the product (unless otherwise stated in the purchase documents).

tkMF encourages its service providers to deploy an HSE approach based on the ISO 14001, OHSAS 18001 and ISO 50001 standards.

We recall that the general requirements tkMF refer to ISO 9001 standards; EN / AS 9120 and 9100 and must be respected by the suppliers according to the standards indicated on tkMF orders.

7. Regulatory compliance

All products or materials purchased must comply with the regulatory requirements in force and in particular, without being exhaustive, the European Directives (REACH, ROHS, Conflict Minerals, ...) as well as safety and environmental requirements.

It is the supplier's responsibility to set up a regulatory watch concerning the services requested by tkMF and to keep tkMF informed of any regulatory developments by submitting the corresponding document to the quality address mentioned above.

In addition, it is mandatory that all external providers (including material suppliers) sign the "Code of Conduct" document.

8. Confidentiality

The service provider gives free access to its facilities and information regarding the services ordered by tkMF's representatives, tkMF's customers or principals and official control representatives or monitoring bodies. tkMF is committed to confidentiality regarding any information gathered during these interventions.

Through this document, it is understood that the supplier commits to not disclose the plans, diagrams, notes and documents communicated by tkMF. The information communicated via the exchanges between tkMF and the supplier cannot be communicated without having agreed in advance. All data disclosed during audits are confidential.

9. Documentation requirements

9.1. Applicable standards and specifications

The standards quoted in this document and on the orders are considered at the last index in force at the time of the contract. The supplier must ensure that he or her are in possession of the documents at the last index, in order to satisfy the order according to the terms and conditions.

It is up to the provider to obtain them from the organizations that distribute them.

In the case of a specification that cannot be obtained directly, the service provider must ask tkMF for the contract required version.

The specifications applicable to the order can be Material Sheets, Quality Plans, frozen-fixed Product Ranges, etc.

It is up to the service provider to report any inconsistencies or errors that he or she may detect in the context of the contract / order binding him or her to tkMF. It is therefore the responsibility of the service provider if the product delivered does not match the level of the service requested by tkMF.

The service provider undertakes not to deliver counterfeit products.

9.2 EN 9100 Requirements for First Article Inspection (FAI)

The first article inspection is required, at least in the following cases, which are considered potential risk generators:

- first time product manufacturing,
- manufacturing recovery after two years of interruption,
- major product evolution (dimensions, functionality, interchangeability, raw materials ...),
- changes in the production process (changes in technology, means, production environment...)
- changes on the supply source
- tkMF's formal request (following customer requirements, for example).

The first article examination is carried out on products manufactured in conditions representative of the series production. It allows to qualify the product and the means of production through the validation of standard parts (first receipt considered as the first article if there is no standard part) and gives the Supplier the authorization to produce serially.

The FAI file must be produced in accordance with EN9102 and must include at least:

- ⇒ The statement on an article of all the features defined during the plan, regarding the operations ordered.
- ⇒ The record of the final acceptance test results.
- ⇒ For a so-called "special process" :
 - Certificates of compliance and records of treatment values.
- ⇒ For a machining service:
 - The declaration of conformity of the raw material used,
 - Certificates of conformity and records for surface treatment values, heat treatment and other operations outsourced by the organization.

The complete inspection file must be attached to the first articles (acceptance report mentioning the result of all the measurements of the characteristics stipulated in the specifications, raw material acceptance report ...).

9.3 Documentation to be included with the delivery

This documentation is specified at the time of order.

For the supply of materials it is required at least a 3.1 type conformity certificate according to EN 10204 and a Declaration of Conformity is ESSENTIAL as part of the subcontracting services.

This Declaration of Conformity must comply with the NFL00-015 standard for the services covered by the EN9100 and the NF EN 10204 standard for the others.

9.4. Archive durations and conditions

Except in the case of specific regulatory requirements, the minimum archiving period for records relating to services provided to tkMF is 10 years for ISO 9001 products and services; 30 years for EN 9120 and EN9100 products and services. The archiving conditions must allow for quick access to records that must remain usable. In case of suspension of activity, the supplier must return to tkMF all the records related to the traceability, objects of the order. In case of activity discontinuance, tkMF's archives must be sent to tkMF.

10. Requirements for traceability

The supplier must have implemented traceability rules to ensure the unique identification of the product in a suitable manner throughout the product's implementation.

The identification means (if they are not imposed) may be, for example, cold stamping, labels or barcodes.

The traceability system implemented must allow to, where applicable:

- Keep manufacturer's identification and batch traceability up-to-date.
- Identify and trace all products made from the same batch of raw materials or the same manufacturing batch, to their final destination.
- Keep the product configuration identification up-to-date in order to identify any discrepancies between the applied configuration and the approved configuration.
- Find the sequential documentation of the production (manufacturing records, assembly records, control records) of a given product.

In the context of EN 9100 and EN 9120 products/services deliveries, the service provider undertakes to maintain the traceability of the mother cast, then of the product's cast and the product's batch. Regulatory marking on long products must be carried out on each product along the entire length of the material. When applicable, the direction of fiber drawing is imperative.

Note :

In the case of products supplied by tkMF, traceability must be maintained from receipt, during splitting, storage and packaging operations to their delivery.

11. Product quality requirements

The material must be checked by the supplier before shipment and must comply with the order requirements in terms of dimensions, appearance and mechanical properties, as well as any specified criteria. The chemical composition of the material shall comply with the requirements of the current referenced standards, applicable to the grade of the material being controlled.

Any changes related to production process and / or QHSE Management System must be reported to tkMF indicating whether this is a major or minor change.

12. Staff qualification and awareness

The service provider undertakes to raise the awareness of his staff concerning:

- its contribution to the conformity of the product or service;
- its contribution to product safety;
- The importance of ethical behavior.

The service provider undertakes to set up a staff training process in all areas involved in performing the services requested by tkMF including the necessary qualifications for special processes. The supplier commits to keep a regular level of training, maintained in conformity with the evolution of standards and regulatory watches.

13. Order receipt confirmation

Upon receipt of the order, the supplier must send to the purchasing department an order receipt confirmation within 2 working days.

All reservations must be sent to tkMF before acceptance of the contract. In case the order shall comply to an imposed standard, the service provider is asked to confirm the validity of the product according to the needed requirements.

In the event of reservations issued by the service provider, the supplier will only take on the performance of the service after formal agreement with tkMF.

By accepting the contract / order, the supplier undertakes to respect all clauses as agreed at the signing of the contract / order.

Delivery times must be respected, with a target of 90% of the orders delivered on the dates agreed on the AR.

In case of late delivery, the supplier must inform tkMF as soon as possible. The provider must also investigate and identify the causes of this delay, then define corrective actions to solve its performance problems, and share them with tkMF via an analysis report specifying:

- The causes identified,
- The corrective actions put in place.

All deliveries must be accompanied by a delivery note specifying the order number.

Any modification having an impact on the delivered product can only be carried out after formal agreement of tkMF.

14. Supplier outsourcing

The supplier is under no circumstances allowed to subcontract all or part of the contract / order related to tkMF without the prior written consent of the latter.

In case subcontracting is formally authorized by tkMF, the supplier must pass on all the requests related to the contract, including these requirements and commits to follow the qualifications of the subcontractor related to the ISO 9001 and EN 9120 / EN 9100 standards requirements, if applicable.

The Supplier must ensure the purchased product compliance with the specified requirements (as they influence the quality of the final product). To do this, the supplier must set up an evaluation and monitoring process of its own suppliers, in order to ensure control. The list of these suppliers with the scope of approval must be available.

This case does not exempt the supplier from his/her responsibility to ensure the quality of the products or services purchased. In other words, the supplier remains responsible in all aspects of the fulfillment of the order, including compliance with the requirements.

15. Counterfeit and Obsolescence

Any major changes in the supplier's QHSE production process and/or QHSE Management System must be reported to tkMF.

Any modification having an impact on the conformity of the service provided is considered as a major change.

A change of corporate name, a transfer of the production site or a cessation of activity is also considered a major change. In the event of a change that involves the suspension of a product's manufacture due to a change on a standard's index, the service provider must notify tkMF in writing 6 months in advance.

The supplier must guarantee and protect tkMF from counterfeit material risk. The supplier must guarantee flow, marking / identification of the material, packaging and documentation to avoid any risk of introducing counterfeit material into the supply chain. To do this, tkMF suppliers must, in particular:

- Train their relevant staff,
- Buy from authorized sources
- Require from their suppliers the appropriate certificates of conformity and origin,
- If necessary, in case of detection of counterfeit or suspected parts, isolate the corresponding parts and inform the customer.

The Supplier must manage the quality of his/her supplies and produce, on request of tkMF, the corresponding proofs (Control Report or Declaration of Conformity, Manufacturer's Declaration of Conformity for the resellers).

The supplier must have an effective traceability system in place, so it is possible for him / her to trace the origin of the supply batches from finished products and vice versa.

16. Non Conformities - Exemptions

The service provider undertakes to inform tkMF as soon as possible in the event of observed non-conformity.

In the context of subcontracting, tkMF asks the service providers to carry out a product entry check in order to detect any irregularity and obtain a formal agreement from tkMF before going into production.

Any request for exemption must be made in writing to tkMF. No delivery can take place without a written agreement that specifies the terms.

The Delivery Note and the possible Declaration of Conformity will mention the exemption.

No product found to be nonconforming can be delivered without the prior consent of tkMF. Following any non-compliance, the Supplier must take the necessary corrective and preventive actions and ensure their follow-up.

16.1. Non-conformity discovered before delivery

The Supplier shall, upon discovery of a non-compliance in receipt, manufacture or shipment, identify, locate and isolate in a closed area the affected product (s).

If he/she thinks that the product is acceptable as it stands, he/she must inform the Quality or the Purchase Department tkMF and obtain his/her written agreement to proceed with the shipment in submission of acceptance of the dubious products.

Depending on the significance of the non-conformity, an exemption request may be required. The Declaration of Conformity should mention the irregularity found and the tkMF agreement.

Any repair operation must be subject to the prior and formal agreement of tkMF. Only the tkMF Product Quality Manager is authorized to give this written agreement after examination of the request.

The product thus repaired must be identified and the mention of the given written agreement will be specified on the accompanying documents.

16.2. Non-conformity discovered after delivery

Any irregularity is the subject of a complaint, with request for investigation. Beyond the immediate curative actions, the Supplier must return within two weeks the informed complaint with the preventive and corrective actions decided after cause analysis.

When nonconformities or risks of nonconformities are detected by the Supplier after delivery, he/she must inform tkMF in writing, as soon as possible, and specify the arrangements to be made for the products already delivered.

In case of nonconformities noted on one or more products after receipt on the tkMF's sites or after customer feedback, the Supplier shall, upon the request of tkMF:

- ease the work of the tkMF's agents on its sites and / or those of its subcontractors,
- delegate to tkMF qualified agents to participate on the analysis,

- ensure sorting operations, and/or makeover (either on his/her sites, or at tkMF if the deadline obliges) or replacement.
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In agreement with the Supplier, the products deemed non-compliant and returned are marked permanently (except in the case of a return for retrofit or sorting).

The extra costs of inspection, production disruptions (production stoppages, slowdown of production rates, etc.) and / or treatment (exemption, recall, sorting, reworking, etc.) generated by these dysfunctions will be the subject of a rebilling from tkMF to the Supplier.

The Supplier undertakes to support tkMF for the treatment of production problems encountered after delivery.

17. HSE specificities

17.1 Global HSE requirements

As part of its policy, thyssenkrupp Materials France is committed to preventing occupational, environmental and energy risks in all its activities and production sites.

tkMF encourages its suppliers and subcontractors to implement a health and safety management approach (according to the MASE, ISO 45001 standards), the Environment (ISO 14001) or the Energy (ISO 50001).

17.2 Suppliers HSE requirements

We therefore expect from our suppliers:

- A commitment to comply with HSE regulations,
- The development of eco-design principles,
- The use of appropriate packaging in size and quantity with a preference for reuse and recycling,
- The supply of equipment and installations in compliance with the European regulations in terms of safety and the environment: certificates of conformity, adjustment and maintenance procedures, instructions for use.

17.3 Subcontractor HSE requirements

In the same way, we expect from our subcontractors:

- A commitment to comply with HSE regulations
- The respect of all the safety instructions in case of intervention on a site belonging to tkMF: parking, speed limitation, wearing of PPE, security protocol ...
- The creation of a prevention plan allowing for the assessment of the risks related to the joint activity between tkMF staff and subcontracted personnel
- The transfer of all information necessary for the smooth running of the interventions (permit, authorization, training).
- The use of compliant and in good condition equipment
- The establishment of a constructive dialogue aimed at guaranteeing the physical integrity of subcontracting and tkMF staff
- The respect of the visitors' instructions
- The respect of the waste sorting in place within the company

tkMF encourages its subcontractors and suppliers to state any unidentified risk that could harm tkMF or its own personnel.

17.4 HSE penalties

In case of default / negligence, tkMF will remind the applicable rules to the concerned staff. In case of serious or repeated breach, tkMF reserves the right to apply penalties:

- to cover the damage caused
- up to decide the interruption of work

17.5 Subcontractor HSE Audit

Subcontractors whose tasks are particularly dangerous will benefit from enhanced supervision. They will be evaluated on HSE criteria defining their adequacy with the values advocated by tkMF.

18. Supplier audit

tkMF reserves the right to audit the supplier's organization in order to ensure his/ her compliance with these requirements as well as with the additional charges stated on the order documents.

These audits are registered in the Supply Chain process by tkMF.

This control depends on the level of criticality of the service requested, the level of recognition of the service provider by an accredited organization or a client and the level of conformity of the services provided to tkMF.

tkMF encourages the service provider to monitor the performance of his/her manufacturing processes, with the aim of developing a continuous improvement and efficiency culture.

18. Document revision index

Index	Date	Nature of changes
A	31/05/2018	Updated according to ISO 9001 and EN / AS9120 and 9100 standards evolutions
B	12/09/2018	Precision for MPE division and modification for major evolution production process.
C	22/07/2019	§12 updated to add the commitment of the provider to the awareness of its staff.

DOCUMENT RECEIPT CONFIRMATION

I, the undersigned :.....

As the :.....

Company :.....

Certify to have read and accepted the tkMF Terms and Conditions (or agreed conditions between the two parts) and the Supplier Code of Conduct.

Certify to have read the requirements of EQ-TH-005, and commit to respect and make respect these clauses fully for any order accepted by our company.

I undertake to distribute this document to all persons and departments involved in this process.

This document comes into force on the day of its signature and its validity is permanent until termination by mail. The refusal of signature can condition the continuity of the commercial relations between tkMF and the supplier.

Signature(s) :

Made in :.....

The:

Company stamp Signature

Thanks for returning this confirmation receipt duly completed

By @mail to the following address : frederic.mathou@thyssen.fr