



Quality Agreement For supply of mechanical fasteners

1 - Purpose

This document defines the terms and conditions of the "quality" commitments of the supplier as regards the products it markets and represents the basis of professional uses for processing quality issues.

It was drawn up in addition to the "Conditions générales professionnelles pour la fourniture de fixations mécaniques - Modification 2006" (General professional conditions for supply of mechanical fasteners - Modification 2006) and refers to good practices of the profession described in the document "Guide de référence des pratiques et règles qualité pour les produits de fixation" (Reference guide for quality practices and rules for fastening products) available from the AFFIX.

2 - Definitions

- Specifications: data issued by the customer describing its requirement.
- Prototypes: products only for assessment.
- Original Samples (Échantillons Initiaux, EI): reference products resulting from a Performance Process representing the series.
- Reference Quality File: technical commitments of the supplier for products delivered in series to the customer
- Performance Process: succession of the manufacturing operations of the product.
- Product Indexes: traceability of product modifications and/or the Performance Process.
- Non-conformity: real deviation compared to the Reference Quality File
- Derogation: written acceptance of a Non- conformity by the customer
- Parts Per Million (ppm): quantity of products revealed non-compliant per million parts delivered over a given period. This ppm may be global or defined in relation to one or several characteristics.

3 – Compliance with standards and regulations

Products are designed and manufactured in exclusive compliance with standards and regulations duly mentioned in the Specifications.

Failing this, they comply with regulations applicable in the manufacturing country.

4 – Reference Quality File

The technical commitments of the supplier for products delivered in series to the customer are limited to the Reference Quality File.

It comprises, unless the parties agree otherwise, exclusively the following elements:

- Original Sample parts,
- The control reports for EIs (dimensional, material and test reports),
- The list of deviations as regards the definition proposed by the customer.

The format used to produce these elements is that of the supplier.

Any delivery of a new or modified product is subject to the written approval of the Reference Quality File by the customer. Failing this, any order placed or call for delivery in series is deemed accepted by the customer of the Reference Quality File.

5 – Control of characteristics

The control of product characteristics and of the process is determined by the supplier with approval from the customer. This control level depends on the Performance Process implemented by the supplier and can only be imposed in a one-sided manner by the customer (excluding regulatory requirements).

6 - Delivery, transportation, acceptance and checking of the products

The Customer is required to perform legal acceptance of the products, through which it acknowledges compliance with the agreement.

Acceptance is deemed acknowledgement of absence of visible Non-conformities, unless if detailed reserves were drawn up upon acceptance on a waybill or delivery slip signed and forwarded by mail with acknowledgement of receipt to the supplier and the carrier within a timeframe of 3 days.

In case of an "ex works" sale, risks related to transportation are under the Customer's responsibility and at its expense.

The Customer shall, at its expense and under its responsibility, check or have checked compliance of the products with the terms of the order even in the scope of an AQP (Assurance Qualité Produit – Product Quality Insurance) approach of the supplier by the customer for a selected product.

The customer must comply with the general recommendations relating to storage and handling:

- Retention of the origin traceability in case of reconditioning of pallets or changing of packaging,
- Conservation of the product integrity in compliance with the ISO 16426 standard,
- Non-use of products which have fallen on the ground,
- Product modification index management.

The customer must also comply with possible recommendations specific to the product such as:

- The maximum shelf life and storage conditions before use,
- Handling and use conditions in the customer's premises and in the network.

7 - Identification and traceability

The supplier implements an identification system on labelling which ensures traceability of the manufacturing components of the products.

The customer must implement systems preventing the traceability chain from being broken (Batch No. identified on labelling).

Identification of packaging is in accordance with the GALIA/ODETTE standards [for the automotive industry]. The supplier will not perform a specific traceability for the customer, unless otherwise specifically agreed.

8 - Registration and archiving technical and traceability data

The supplier has an internal registration and archiving system for technical and traceability data over 3 years, unless otherwise specifically agreed in writing.

9 – Product or process modification

Any request from the customer leading to modifying the technical Specifications and/or the Reference Quality File, as well as any modification by the customer of its operating conditions for the product (e.g.: automation, modification of the parts to be assembled, production transfer on new sites, etc.) must be subject to a prior written notice to the supplier. This request may be subject to a new technical and commercial proposal from the supplier.

Any data modification in the reference technical file by the supplier is subject to a new Reference Quality File.

10 – Quality Objectives

The measuring elements of a supplier performance by the customer (demerit, ppm, number of incidents, composite indexes, etc.) enable assessment of the evolution of the "delivered quality" by the supplier in the medium and long term.

They are in no way a contractual obligation with monetary or other consequences.

In any event, these elements are business secrets and are confidential.

11 – Non-conformity processing

The customer has to describe the Non-conformity.

Any request related to a supposed Non-conformity is supported by elements proving the Non-conformity and enabling investigation of its causes (e.g.: traceability, photos, parts considered non-compliant, assembly conditions, etc.). The customer must co-operate.

The supplier analyses said Non-conformity.

Should it confirm existence and responsibility for the Non-conformity, the supplier is responsible for:

- Systematic: replacement of non-compliant products
- Upon decision from the supplier: return or taking back non-compliant products, sorting of non-compliant batches.

Upon simple request, the supplier communicates to the customer corrective and preventive actions that it implements on its Performance Process.

The supplier shall not be held responsible, notably for:

- Defects resulting from materials provided by the Customer,
- Defects resulting from a design created by the Customer,
- Defects resulting in whole or in part from normal wear of the part, damage or accidents for which the Customer or a third party is responsible,
- Abnormal, atypical or non-compliant use with the product destination, good practices or recommendations of the Supplier,
- Traceability loss for the product by the Customer or its service providers,

- Modification of the customer process without prior notice to the supplier.

12 – Costs and consequences of Non-conformities

The Supplier's liability, for any cause whatsoever, except for personal injury and gross negligence, is limited to an amount not exceeding the sale price of the batch involving the part acknowledged to be defective.

In no circumstances is the supplier bound to pay damages for:

- Administrative expenses, handling costs,
- The consequence of the Non-conformity on already installed products,
- Indirect or immaterial damages such as: operating, profit, luck, commercial prejudice, profit losses.

Should compensation be agreed upon, the supplier is entitled to ask the customer to provide detailed supporting documents for the amounts demanded.

Moreover, this compensation is fixed, discharges compensation and is exclusive of any other penalty or compensation.

The Customer refrains from any automatic debit or credit illegal practice, from invoicing the Supplier for any amount not expressly acknowledged by the latter as regards its liability.

13 - Confidentiality

All the information shared between the customer and the supplier is confidential and may constitute, as required, communication of know-how which is not to be forwarded to a third party.

For this reason, the Supplier reserves the right to limit access to its facilities and its suppliers' facilities to the Customer or its representatives, even in the scope of an audit.

14 – Specific and/or additional services

Some additional services requested by the customer may be subject to a separate price offer, notably and in a non-exhaustive way:

- Circulation of inspection reports and EI files on documents other than those of the supplier,
- Translation of technical documents into another language,
- Requests of technical analysis and report circulation,
- Preparation and circulation of inspection reports (not EI),
- Supply of compliance certificates, copy of CCPU (Certificat de Contrôle Produit par l'Usine – plant product inspection certificate), certificate of compliance with the ROHS rules,
- Update of IMDS base,
- Implementation of a specific organisation,
- etc.

Furthermore, processing of unjustified Non-conformities (travel to customer site, analyses, sortings, etc.) may be subject to billing.

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