

We make it *possible*

QUALITY MANUAL FOR SUPPLIERS

PROCEDURE

 HUTCHINSON®	CORPORATE PURCHASING	 <small>HUTCHINSON® Excellence Since 1911</small>
---	-------------------------	---

PREFACE

HUTCHINSON aims to achieve excellence so as to make deliveries to its clients under the best possible Quality, Cost, Delivery, and Innovation conditions. This goal applies to all of our business sectors: aeronautics, automotive and industry.

To reach our excellent objectives and best meet our clients' needs, the entire supply chain must be involved and we expect our suppliers to actively participate in this process.

Our desire to involve suppliers in this process translates into the requirements set forth in this quality manual. Our suppliers are fully responsible for the quality of their products and services. We expect that they use excellence policies to reach the zero issues goal.

The requirements set forth in this manual are not, in any case, restrictions on the current standards (IATF 16949, ISO 9001 2015, AS 9100, etc.). They are supplemental to them.

The HUTCHINSON Group uses the Ivalua Buyer tool that allows suppliers to connect to a portal. This quality manual addresses our expectations for the use of this tool.

NB: the modifications to the previous version are given in italics

INDEX

QUALITY MANUAL FOR SUPPLIERS.....	1
PREFACE.....	2
1. PURPOSE.....	4
2. FIELD OF APPLICATION AND CONDITIONS.....	4
3. QUALITY ASSURANCE PROCESS.....	4
4. PREREQUISITES.....	5
4.1. Communication Language.....	5
4.2. QSE Management System Requirements.....	5
4.3. Regulation, Security, Intellectual and Industrial Property Requirements.....	5
4.3.1. Prohibited or Restricted Substances.....	6
4.3.2. Compliance with Regulations and Safety.....	6
4.4. "Confidentiality" Requirements.....	7
4.5. Archiving Requirements.....	7
4.6. Client and Authority Access Information.....	7
4.7. Subcontractors / Sub-suppliers Requirements.....	7
4.8. Security Plan Requirements.....	8
4.9. Requirements regarding obsolescence.....	8
4.10. Requirements regarding expiries.....	8
4.11. Requirements applying to reactivity to requests.....	8
5. SELECTING THE SUPPLIER.....	8
5.1. "Bid" Requirements.....	9
5.2. Quality and supply chain performance targets.....	9
5.3. Feasibility and Planning Commitment.....	10
5.4. Assignment/Contracting.....	10
6. PRODUCT/PROCESS DESIGN REQUIREMENTS.....	10
6.1. Design System and Product Definition.....	10
6.2. Special or Key Characteristics Definition.....	10
6.3. Special Specification Requirements (Chemical Products).....	11
6.4. Test and Control Means.....	11
6.5. Project Milestones.....	11
6.5.1. Case of the Automotive Market.....	11
6.5.1.1. Prototype and Pre-Production Part Delivery Requirements (components).....	11
6.5.1.2. Production Part Approval Process (PPAP) Requirements (components).....	12
6.5.1.3. Initial Delivery Requirements (Chemical Products).....	12
6.5.1.4. Early Production Containment (EPC).....	13
6.5.2. Case of the Aeronautic and Industrial Markets.....	14
6.5.2.1. Product Prototype Part Delivery Requirements.....	14
6.5.2.2. Product Partial Delivery Requirements.....	15
6.5.2.3. First Delivery Requirements (FAI, samples):.....	15
6.5.3. Requirements applying to process qualification.....	15
6.6. Tooling and/or Equipment Management.....	16
6.6.1. Use of Tooling and Equipment.....	16
6.6.2. Tooling and/or Equipment Registration.....	16
6.6.3. Liability and Insurance.....	17
6.6.4. Tooling and Equipment Modification and Maintenance.....	17
6.6.5. Equipment Guarantee.....	17
7. DELIVERING THE PRODUCT.....	17
7.1. Probative Delivery Requirements (Delivery Pending Acceptance).....	17
7.2. Serial Delivery Requirements.....	18
7.3. Requirements regarding the supply chain.....	18
7.4. Periodic Re-qualification Requirements.....	19
7.5. Modification Management Requirements.....	19
7.6. Series End of Life Requirements.....	20
7.7. Requirements applying to product conservation.....	20
7.8. Requirements on reworks.....	21
8. REQUIREMENTS IN CASE OF NON-COMPLIANCE.....	21
8.1. Complaint Response Time Requirements.....	21
8.2. Requirements involving the Financial Consequences of a Complaint.....	22
8.3. Escalation Process.....	22
8.4. Guarantee Complaint Processing.....	23
9. REQUIREMENTS REGARDING THE EVALUATION OF SERIAL PERFORMANCE.....	23
9.1. Supplier Audit Requirements.....	23
9.2. Supplier Evaluation Criteria Requirements.....	24
10. OPERATIONAL EXCELLENCE REQUIREMENTS.....	24
11. DEFINITIONS.....	24
12. REFERENCE DOCUMENTS.....	25

1. PURPOSE

This document defines the general requirements in terms of quality, cost, delivery, and innovation that all HUTCHINSON Suppliers and their entire supply chain must respect.

It is written in Purchasing Quality Coordination to take into account all requirements from each business sector of HUTCHINSON Group.

It is supplemented by a Supply Chain HES PUR P18 G01. This manual is the logistics reference document for HUTCHINSON's suppliers

In the absence of recourse to the Supply Chain manual HES PUR P18 G01, this document sets out the requirements relating to the Supply Chain management. These must be regarded as unavoidable and mandatory for all suppliers of HUTCHINSON.

2. FIELD OF APPLICATION AND CONDITIONS

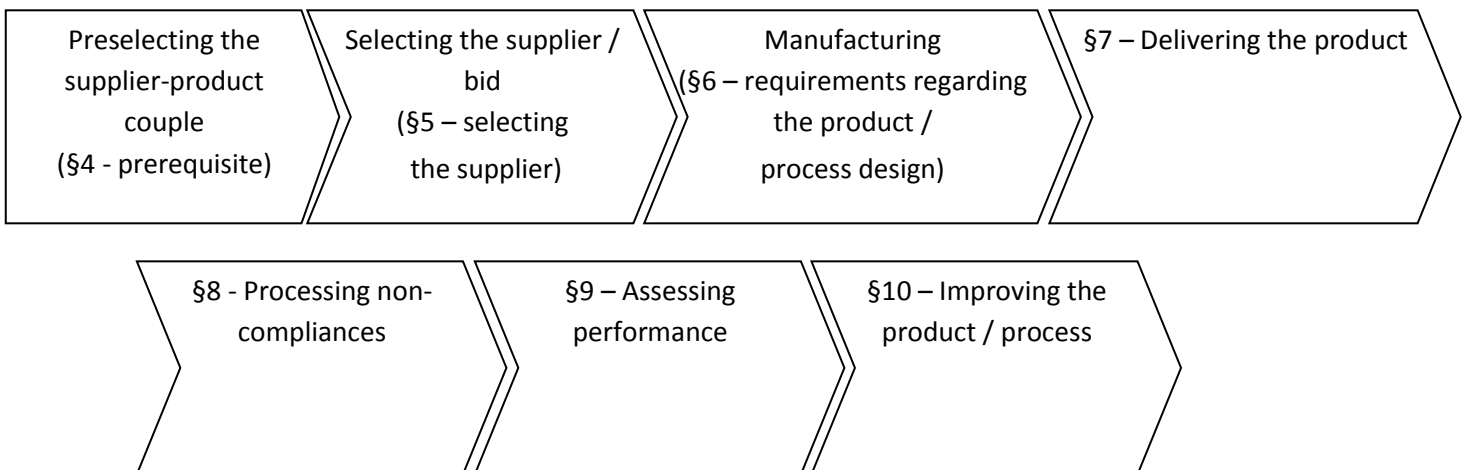
The requirements of this *current version of the procedure* apply, *from 27/04/2018*, to all purchases for all HUTCHINSON Groups Worldwide. This includes external supplies of both components and raw materials, regardless of the annual or program volume. It is applicable for both development and serial phases

The written requirements in this document are applicable to all Group factories.

Acceptance of any order serves as acceptance of this document.

3. QUALITY ASSURANCE PROCESS

The structure of this document summarizes the main stages of the HUTCHINSON quality assurance process for "Product Purchases".



4. PREREQUISITES

4.1. Communication Language

The supplier must be able to communicate in the language of the HUTCHINSON facility in question or, as a default, English.

4.2. QSE Management System Requirements

The Supplier implements a Quality Management System, certified by a third party audit based on:

- For products for the automotive industry, international standard IATF 16949,
- For products for the aeronautics industry, international standard AS 9100,
- For any other product, international standard ISO 9001,
- Failing this, the Supplier must at least have international ISO 9001 certification for the products for the automotive and aeronautics industries and demonstrate that it has a plan to obtain IATF 16949 (*ie: by commitment on Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers for IATF 16949*) or AS 9100 certification, respectively, within the time-frame agreed upon with HUTCHINSON,
- For other business sectors, a supplier who is not certified must be recognized as meeting HUTCHINSON needs (operational and effective system). This recognition shall be granted by an audit or other evaluation,
- The supplier is required to immediately inform HUTCHINSON about the suspension or revocation of any certification or any complaint to a certification body by other clients. In the case of a suspension or revocation of the certificate, HUTCHINSON reserves the right to conduct its own audit (or have an organization of its choice conduct the audit).

Other standards (typically PRI NADCAP or IRIS business tool for level 1 and 2 special rail for the aerospace/rail sector) will be required by the HUTCHINSON sites, depending on the markets for which the purchased products are intended.

The supplier must be ISO 14001 certified. Otherwise, the supplier must be able to demonstrate that it has launched an environmental initiative with a view to obtaining certification.

An occupational health and safety certification, like OHSAS 18001, ISO 45001, or ISO 50001, is appreciated.

The Supplier must provide HUTCHINSON copies of certificates that are relevant to the production and sale of supplies to HUTCHINSON. We will ask that copies of these certificates and other legal or contractual documents be posted online to the HUTCHINSON purchasing portal at <https://ivalua.hutchinson.fr/>.

The supplier agrees to inform HUTCHINSON of any major changes to its quality system, organization or organization chart.

4.3. Regulation, Security, Intellectual and Industrial Property Requirements

We invite all our suppliers to review and apply the Fundamental Principles of Purchasing (*FPP*) which can be found on *General Terms and Conditions of Purchasing Appendix* on HUTCHINSON's purchasing portal. *A signed copy is also requested to be posted on the portal:*

<https://ivalua.hutchinson.fr>

HUTCHINSON requires that all suppliers provide proof that all precautions have been taken to ensure the safety of the products provided. This requirement shall be passed by the supplier to their suppliers (i.e. the REACH directive, the 2000/53 standard on heavy metals, etc.).

A product is described as "safe" and/or "regulated" if it has one or more features subject to the national or international regulations or a client safety program. They are marked S, R or S/R.

As part of the sustainable purchasing development process, an environmental impact assessment for products (life cycle) must be performed and made available to HUTCHINSON by the Supplier.

4.3.1. Prohibited or Restricted Substances

The Supplier is responsible for compliance with the requirements set forth in various regulatory texts, including, but not limited to, RoHS, ELV, and REACH. No HUTCHINSON technical documents or specifications may replace these official texts.

In case of even temporary non-respect of one or more regulatory requirements, the Supplier must inform the HUTCHINSON Purchasing and/or Quality Department manager as soon as possible.

The Supplier takes into account the general recommendations about recycling during the design of the product.

4.3.2. Compliance with Regulations and Safety

The supplier shall document their process to ensure that purchased products, processes, and services conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and the customer-defined country of destination, if provided.

In this respect, HUTCHINSON may require from a Supplier commitment in terms of safety and regulation applicable to the products. The supplier shall send the Safety Data Sheet and the Technical Data Sheet of the product supplied to HUTCHINSON.

Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires a prior audit and information obligations for companies whose products contain minerals called "conflict minerals" from Central Africa. HUTCHINSON requires that each of its suppliers' supply chains provide the necessary information on conflict minerals contained in the products purchased by our company.

- Each HUTCHINSON Group supplier must fill out a "Conflict Minerals Report Template" questionnaire created by the EICC (Electronic Industry Citizenship Coalition) and GeSI (Global e-Sustainability Initiative).
- This questionnaire shall be completed annually and is available at <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>
- HUTCHINSON can demand that these annual requirements are met using a questionnaire found in HUTCHINSON's purchasing portal, iValua.

The supplier knows and respects the regulations applying to exports and end destinations (export controls). The supplier informs HUTCHINSON of any restrictions applying to their supplies.

The supplier cannot use the name HUTCHINSON with regard to its own suppliers without HUTCHINSON's explicit consent, and in particular in the wording of the End User Certificate.

At HUTCHINSON's request, the supplier provides details of the part of its supplies that is brought in, with details of the country of origin of the US components (ECCN and EAR99) that it procures.

In the case of wooden pallets or containers with phytosanitary treatment, the supplier ensures that NIMP-15 specification is respected for the entire supply chain.

4.4. "Confidentiality" Requirements

We expect our suppliers to treat all information transferred by HUTCHINSON as confidential. If necessary, both parties may sign a confidentiality agreement.

If the Supplier, during the performance of the Contract requires the processing of personal data as defined by Public Policy Provisions in force (hereinafter referred to as the "Data") by any means whatsoever, the Supplier undertakes to act in compliance with said Public Policy Provisions.

In particular, the Supplier warrants to HUTCHINSON the physical and logical protection of the Data in accordance with the best standards and practices of the market. For this purpose, the Supplier shall implement the technical and organizational measures necessary to maintain full security and confidentiality of the Data, such that no unauthorized person, whether or not a member of its personnel, may access the Data. Lastly, the Supplier shall guarantee HUTCHINSON against all risks of loss of the Data.

In general, the Supplier shall not use, transfer or make available to third parties, other than its Subcontractors that are required to be aware thereof in order to perform the Agreement, for any reason whatsoever, the Data it is required to process pursuant to the Agreement, and it warrants HUTCHINSON that it will destroy such Data at the end of the Agreement.

The Supplier shall hold HUTCHINSON and its insurers harmless from all recourse or actions that may be brought against them due to losses caused by inadequate protection of the Data in connection with the performance of the Agreement.

4.5. Archiving Requirements

The Supplier archives the quality records regarding the products delivered to HUTCHINSON and the records on initial deliveries (i.e. PPAP, First Article) *for the lifetime of the product + 1 year. This archiving duration could not be shorter than fifteen (15) years.*

Depending on the delivery site(s) and industry specific requirements, the archiving duration and conditions may be longer *and detailed in the contract* for this supply.

For products for the aerospace industry, the archiving periods are *at least* those imposed by the standard AS 9100. *In case the customer specification imposes a longer archive duration, this will prevail.*

The access to archived data must allow to report in 48 hours in case of major incident.

4.6. Client and Authority Access Information

The Supplier agrees to allow free access to their facilities to HUTCHINSON representatives and any client or representative of the regulatory authorities who might accompany them, for any audits as well as surveillance or control operations for the product ordered.

Except in emergencies (customer complaints, stock outs, etc.), HUTCHINSON agrees to give 48 hours' notice before making these visits.

Excluding cases specified by three-party contracts, HUTCHINSON prohibits any direct interaction between the HUTCHINSON supplier and client. In particular, if a client wishes to audit the Supplier, the audit may only take place in the presence of a HUTCHINSON representative.

4.7. Subcontractors / Sub-suppliers Requirements

The requirements in this manual must be applied to the entire supply chain. The Supplier is responsible for overseeing its subcontractors and/or suppliers and for developing or assisting the subcontractor to comply with the requirements described in this document.

HUTCHINSON must be provided sufficient notice in the case of a desired change of supplier or subcontractor in order to understand the impact of the change and issue an approval.

HUTCHINSON reserves the right to audit the subcontractor under the Supplier's control.

The Supplier ensures that it is not in any single delivery source situation that could impact delivery to HUTCHINSON.

In the special case of resellers and distributors, the supplier agrees to deliver products to HUTCHINSON from known and identifiable sources, accompanied either by copies of the manufacturer's original declaration of compliance, or by declarations of compliance that identify the origin of the product. They agree to set up a storage system that guarantees the traceability of the products in their possession.

Subcontractors must qualify their processes. They must have qualified facilities, means for qualifying operators, and standard work instructions in place. The corresponding proof must be submitted to HUTCHINSON on demand.

4.8. Security Plan Requirements

The Supplier provides HUTCHINSON with a product security plan for the products delivered. This plan describes the prevention measures taken to ensure delivery based on the anticipated amounts and deadlines.

This security plan defines, if necessary, the security inventory (value, management method) that the Supplier implements to guarantee the HUTCHINSON supply pursuant to its requirements in all circumstances.

The security plan shall be regularly updated (*at the occasion of each legal requirement update and, at least, annually*) and take into account the specific risks of each project.

4.9. Requirements regarding obsolescence

The supplier shall always send any notices of obsolescence to HUTCHINSON, irrespective of the source of the information. The supplier shall set up a lookout for the market, products and processes.

4.10. Requirements regarding expiries

Material expiration dates must be shown on the packaging. At the time of delivery, the life time must be equal to at least 80% of the maximum life time, unless HUTCHINSON agrees otherwise in writing.

4.11. Requirements applying to reactivity to requests

In order to maintain sound relations between the Supplier and HUTCHINSON, it is essential that all HUTCHINSON's teams and the Supplier's teams respond swiftly to requests for information. Requests for information must be made in writing. The target for all parties consists of responding within 24 hours. If the requested information is not available, then the response consists of giving a deadline to the requesting party.

5. SELECTING THE SUPPLIER

The selection of the HUTCHINSON Supplier is done based on the following 4 criteria: "Quality" (Q), "Cost" (C), "Delivery" (D) and "Innovation" (I).

✓ **"Quality" Criteria:**

The Supplier must comply with the quality system requirements as described in paragraph 4.2.

✓ **"Cost" Criteria:**

The Supplier's price bid must be the total cost for optimized use for the HUTCHINSON site, hence the importance of the aptitude factors regarding the control of its activities (quality, performance, technology...). The Supplier must show its desire to contribute to price reduction programs in effect in the HUTCHINSON automotive, aeronautics and industrial business sectors.

✓ **"Delivery" Criteria:**

The Supplier must justify its ability to deliver to the HUTCHINSON sites based on the business sector standards of the HUTCHINSON client.

✓ **"Innovation" Criteria:**

The Supplier must be able to show its ability to propose innovative solutions in terms of technology, cost reduction and eco-design.

5.1. "Bid" Requirements

The bid must clearly indicate the key elements influencing the product cost or be structured based on a breakdown that shows the different components of the product cost. Typically, according to the following characteristics:

- Material (mass, purchase price, cost driver)
- Add value, with a detailed breakdown of the manufacturing process
- External subcontracting, where appropriate
- Packaging, with a detailed description (as per HES PUR P18 G01)
- Incoterms (costs, conditions of transportation and storage).

In the case of the creation or adaptation of a supply, the explicit requirements are formulated by HUTCHINSON. By answering the call for tender, after having researched the implicit product requirements, the Supplier guarantees its ability to meet the following two types of requirements.

- The Supplier indicates in its bid the identification and packaging methods for the product(s) that it will deliver, the transportation methods used as well as the supply securing devices.
- The Supplier explicitly lists all the production and control operations that it subcontracts. The special process subcontractors must be subject to the formal acceptance of HUTCHINSON.

The bid must be sent within the response time requested by HUTCHINSON.

5.2. Quality and supply chain performance targets

Performance objectives shall be defined during the assignment. These objectives include the performance that the HUTCHINSON client expects from the finished product, and the technology of the product considering the experience with similar products.

5.3. Feasibility and Planning Commitment

The Supplier is responsible for reviewing all the requirements in order to verify industrial feasibility and sufficient capacity to meet the demands of the supply.

The Supplier must make sure that all the requirements are understood (usually the technical and functional specifications, this manual, the ordering party's requirements, etc.) before making a proposal.

The Supplier shall provide a schedule that will include its interim milestones and the milestones required by HUTCHINSON. The Supplier is responsible for the product progress and monitoring. It must report any change in schedule to HUTCHINSON as soon as it occurs.

5.4. Assignment/Contracting

Each HUTCHINSON Group entity defines its assignment/contracting rules.

6. PRODUCT/PROCESS DESIGN REQUIREMENTS

During the design phase, the Supplier implements the quality management tools best adapted to the Q (Quality), C (Cost), D (Delivery) and I (Innovation) objectives set by HUTCHINSON (FMEA RPN analysis, operation analysis, experience plan, quality plan, control plan, etc.). The supplier:

- ✓ ensures all of the regulatory and security requirements related to the production and use of the supply in question are included;
- ✓ organizes, at the request of HUTCHINSON, or at its own initiative, all controls as the project advances.

HUTCHINSON or its Clients may impose raw material supply sources or subcontractors for special processes. In this case, they are specified when placing the order. Their replacement by any other equivalent means may only be done if HUTCHINSON agrees in writing.

The terms of exchange for product / process design will be defined by the HUTCHINSON site concerned. The latter can open a Product Qualification progress plan in the HUTCHINSON tool portal which will serve as a planning and exchange platform.

6.1. Design System and Product Definition

Should there be 3D files or CAD plan exchanges, the Supplier must have the software allowing these exchanges with the HUTCHINSON site in question.

Even if HUTCHINSON provides the product design, it expects the Supplier to propose improvements or optimize this design, in particular report any design choices that are not in line with the state of art.

6.2. Special or Key Characteristics Definition

HUTCHINSON defines special characteristics based on the constraints identified on its own process and by enforcing its Clients' product/process constraints. The Supplier is responsible for defining its special characteristics to supplement those implemented by HUTCHINSON.

These characteristics and the measures used to control them must be considered by the Supplier during planning (FMEA) and included on control plans and in supporting instructions.

The Supplier must be able to show, at HUTCHINSON or its Client's request, that the special and/or key characteristics of the program are identified and controlled.

In the special case of products with "security" or "regulation" characteristics, the supplier is responsible for implementing procedures and controls that guarantee zero defects.

The supplier must provide systems to measure special characteristics at appropriate intervals to ensure that the processes used are under control and capable of providing material that performs to the HUTCHINSON specification (e.g. Statistical Process Control (SPC) with checks per the control plan).

The minimum Capability level required (per the AIAG SPC Manual):

- "Security" or "regulation" characteristic $C_{mk} > 2$; $C_{pk} > 1.67$
- Other special characteristics: $C_{mk} > 1.67$; $C_{pk} > 1.33$, $P_{pk} > 1.33$

C_m = machine capability, C_p = initial process capability, P_p = long term process capability.

In the case where those Capability level are not achieved, the control plan must be adapted

6.3. Special Specification Requirements (Chemical Products)

In the case of the purchase of a standard chemical product where certain characteristics must be adapted to HUTCHINSON's needs, special specifications will be signed by the Supplier and the HUTCHINSON CRI (Centre of Research & Innovation).

6.4. Test and Control Means

The test and control facilities (internal and external) must be appropriate and ISO/IEC 17025 accredited. Otherwise, HUTCHINSON must provide its authorization.

6.5. Project Milestones

Based on the nature of the contract and the product, routine updates on project milestones may be requested by the HUTCHINSON plant during some program phases. The supplier shall maintain processes that allow them to comply with such requests in a timely manner.

6.5.1. Case of the Automotive Market

6.5.1.1. Prototype and Pre-Production Part Delivery Requirements (components)

The prototype requirements are part of a special order specifying the context (technical files) and the conditions under which the prototype parts are provided.

Before any delivery, the Supplier must ensure compliance of the prototype parts that it will deliver. Subsequently, each delivery of the prototype parts to HUTCHINSON must be accompanied, at a minimum, by the following documents:

- A label stating that the parts are prototype;
- All significant characteristics measured and each part serialized with records submitted to HUTCHINSON in advance and placed inside the shipping container,
- Gage capability study – default 50 pieces,
- Inspection plan and results of inspection,
- *Layout of product production process*,
- Bill of materials and material certifications for all raw materials,
- Performance Test Results.

First Off Tooling (FOT) will be supplied under the same conditions as prototype parts, at the exception of:

- Inspection reports must be done on 5 parts from each batch

- The parts are supplied with performance test results
- Regulated substances (IMDS, or other) must be documented

6.5.1.2. Production Part Approval Process (PPAP) Requirements (components)

The supplier shall reference the AIAG PPAP manual for detailed instructions on completion of the appropriate documentation for submission to any HUTCHINSON facility.

Before considering a PPAP submission for disposition, the HUTCHINSON plant must receive (at a minimum):

- Completed documents as defined by the latest revision of the AIAG PPAP manual, default level 3,
- Evidence of meeting the criteria for accessing nonmeasurable characteristics, such as appearance or color, etc. (i.e. Appearance Approval Report),
- Verification of IMDS submission and acceptance,
- A list and photograph(s) of all HUTCHINSON, or its client, owned tooling and equipment (per section 6.6),
- Supplier's run at rate results (see section 6.5.3 of this document),
- PPAP samples (quantity to be communicated by the HUTCHINSON plant).
 - The PPAP samples must be sent in approved packaging and labelled on the outside of each container as PPAP samples in order to facilitate their acceptance.

The supplier is responsible for submitting their PPAP documentation and samples to the schedule provided by the HUTCHINSON plant. Delays in submitting the PPAP files and samples may result in non-compliance, per paragraph 8 of this document.

Suppliers must submit PPAP files and samples to each HUTCHINSON plant that their material is being shipped. A PPAP Status from one HUTCHINSON plant does NOT systematically apply to other HUTCHINSON locations.

In some cases, the HUTCHINSON site will impose to nominate a product safety representative for each individual step in the Supply Chain (VDA 6.3 §5.2)

6.5.1.3. Initial Delivery Requirements (Chemical Products)

In all cases, the first tests are carried out on samples taken from a lot, representative of the Supplier's know-how. Before any delivery, the Supplier must ensure the compliance of the samples that it will provide to HUTCHINSON.

Subsequently, each partial delivery to HUTCHINSON must be accompanied, at a minimum, by the following documents:

- A specific label,
- The product security plan,
- The product technical file,
- An analysis certificate for the raw materials used,
- a control report and/or several "laboratory reports" including:
 - the control means used;
 - the measurement methods used;
 - the value of the measured characteristics.

Depending on the HUTCHINSON site in question, the formalization of the product approval shall be specified.

Suppliers of “bulk materials” should follow PPAP requirements for bulk materials shown in the latest revision of the AIAG PPAP Manual. When required by the HUTCHINSON client, a Part Submission Warrant and supporting documentation will be requested. Where OEM PPAP approval of a bulk material exists, evidence of that approval is sufficient as the PPAP submission at other levels in the supply chain.

6.5.1.4. Early Production Containment (EPC)

Following its own customer requirements (GP12 ...) HUTCHINSON requires that all suppliers implement an Early Production Containment.

EPC protects HUTCHINSON and its Clients from quality non-conformances during critical phases (launch, acceleration, change, etc.) and it helps to ensure that any quality issues are quickly identified, contained and corrected at the supplier location. EPC is to be used for all pre-production, production and service parts that require a PPAP and/or represent significant risk to HUTCHINSON and its Clients.

The Supplier is responsible for implementing an EPC process that includes:

- Prelaunch control plan;
- Documented EPC plan, which includes:
 - entry date,
 - exit criteria, and
 - targeted exit date.
- Identification of the person responsible for implementation of the EPC plan,
- Established containment stations which must be off line, separate and independent of the normal process, and located at the end of the process.
- Documented inspection, testing, and dimensional checks required at the containment stations.
- Weekly reporting of inspection results to the applicable HUTCHINSON location(s),
- Training for personnel to the standardized work performed at the containment station.
- Established reaction plan for single defect.
- Audit process for the Pre-Launch Control Plan utilizing all levels of management.
- Inclusion of subcontractors in the validation plan.

Development of the Pre-Launch Control Plan needs to consider the following:

- Increased frequency and sample size as compared to the production control plan.
- Verification of the effectiveness of error proofing.
- Verification of packaging and label requirements.
- Immediate implementation of containment and irreversible corrective action when a non-conformance is discovered within the containment station.

EPC will be implemented for the first five deliveries, at a minimum, and is mandatory for 100% of parts during the required period.

EPC will continue until all parts in 5 consecutive shipments are found to be defect free at the supplier, HUTCHINSON and OEM locations. Based on performance, which includes no identified

issues, a request for reduction of 100% containment requirement may be made by the supplier. Approval of this reduction must be made in writing from HUTCHINSON.

To indicate compliance with the EPC requirements, the supplier must attach to each shipping label a green circular sticker approximately 25mm diameter. Each sticker must be signed and dated by the person responsible for implementation of the EPC requirements.

Exit Criteria is as follows:

- Ship the required number of parts to HUTCHINSON with no quality problems.
- Ship all parts on time
- Obtain permission to exit EPC from all HUTCHINSON receiving plants.

Failure to execute an EPC plan or shipment of non-conforming parts during EPC may result in escalation per section 8.3 of this document.

6.5.2. Case of the Aeronautic and Industrial Markets

The requirements of AS 9100 always apply to aerospace contracts and the requirements of IRIS always apply to rail contracts.

For aerospace market, the priority in requirements is defined as the following:

Part 21/145 (if applicable)
Customer specifications
AS9100

6.5.2.1. Product Prototype Part Delivery Requirements

The prototype requirements are part of an order specifying the context (technical files) and the conditions under which they are provided.

Before any delivery, the Supplier must ensure compliance - with the HUTCHINSON technical requirements - of the prototype products that it will deliver.

The Supplier attaches the same documents to these deliveries as required for partial deliveries or those set forth in the special specifications.

The prototype products must be packaged separately *from serial parts* and identified with a specific label.

- "PROTOTYPE PART"
- Reference, version number
- Batch or Serial N°, where applicable
- Quantity *per box*
- Supplier's name
- Order N°
- Derogation N°, where applicable.

The documentation must include at least:

- A declaration of compliance with the order (NFL0015C or EN10204)
- A copy of the manufacturer's declaration of origin for resellers
- A materials inspection report, where applicable
- Readings of the dimensions, where applicable
- A report on any special processes (NDTs, surface treatments, protection, heat treatment or others), where applicable
- The documents corresponding to the specific requirements stipulated in the order

Delays in submitting the FAI (*"First Article Inspection"*) may result in non-compliance, formally pronounced as per paragraph 8 of this document.

6.5.2.2. Product Partial Delivery Requirements

In all cases, the first tests are carried out on samples taken from a lot, representative of the Supplier's know-how.

Before any delivery, the Supplier must ensure the compliance of the samples that it will provide to HUTCHINSON.

Subsequently, each partial delivery to HUTCHINSON must be accompanied, at a minimum, by the following documents:

- A specific label;
- The product security file;
- The product technical file;
- an analysis certificate for the raw materials used;
- a control report and/or several "laboratory reports" including:
 - the control means used;
 - the measurement methods used;
 - the value of the measured characteristics.

6.5.2.3. First Delivery Requirements (FAI, samples):

This first delivery will be the object of an order specifying the conditions for the supply.

This first delivery shall have very specific packaging and identification in order to facilitate its acceptance.

The Supplier attaches the same documents to these deliveries as required for partial deliveries or those set forth in the special specifications.

6.5.3. Requirements applying to process qualification

Depending on the HUTCHINSON site business sector, processes may be qualified using two tools: a Run@Rate and/or a Product / Process audit.

Some HUTCHINSON site business sectors (e.g. automotive), require the Supplier to organize Run@Rate operations. Run@Rate allows HUTCHINSON to verify that the supplier's manufacturing process is capable of meeting or exceeding the daily contracted capacity on a sustained basis.

During the Run@Rate HUTCHINSON will review:

- Part and process documentation (i.e. approved drawing, standard work, control plans, FMEA, boundary samples, etc.),
- the manufacturing process and results,
- part quality requirements and results,
- sub-supplier requirements and Run@Rate results,
- Packaging.

To make effective use of time, the supplier should conduct a practice Run@Rate before the official Run@Rate begins.

Run@Rate operations are typically:

- recorded in the format specified by HUTCHINSON,
- performed in the presence of one or more HUTCHINSON representatives, who can take as many samples as they deem necessary in the course of the operation.

Similarly, other HUTCHINSON site business sectors may qualify the supplier's process using a Product / Process Audit (e.g. HES PUR P04 F02) or according to VDA 6.3 (process) or VDA 6.5 (product).

- HUTCHINSON puts great importance on the use and verification of POKA YOKE
- HUTCHINSON will verify that all of the requirements communicated in this manual are applied to all sub suppliers during the audit.

6.6. Tooling and/or Equipment Management

The subjects below apply to tooling and/or equipment owned by HUTCHINSON and/or HUTCHINSON's client regardless of the financing method (cash, investment, amortization, etc.).

6.6.1. Use of Tooling and Equipment

Unless otherwise stated the Tooling and/or Equipment is the property of the HUTCHINSON client, which means HUTCHINSON itself if it placed the order with the Supplier. The Supplier is then the depository.

The Tooling and/or Equipment must be used exclusively for the production of components for HUTCHINSON. The Supplier must not make any change to the Tooling and/or Equipment without the prior written agreement of HUTCHINSON.

The Supplier agrees to inform HUTCHINSON without delay about any incident, malfunction or depreciation impacting the use of the Tooling and/or Equipment.

HUTCHINSON may at any time visit the place of use of the Tooling and/or Equipment on loan in order to verify its physical presence, conditions of use and good state of maintenance.

The Supplier is required to inform HUTCHINSON about any change in the geographic location of the Tooling and/or Equipment and must first obtain HUTCHINSON's permission before making any change.

In the case of subcontracting the Tooling and/or Equipment during the project phase, it is the responsibility of the Supplier to plan and organize the transfer of Tooling and/or Equipment while keeping HUTCHINSON informed. The transfer of the Tooling and/or Equipment does not relieve the supplier of any liability to follow the product conformity and quality objectives set.

6.6.2. Tooling and/or Equipment Registration

Upon completion of the tool and/or equipment build, the Supplier must attach an ownership plaque or engrave the tooling and/or equipment.

The ownership plaque or engraving must include the owner's name (typically HUTCHINSON's client) and the tooling and/or equipment identification number provided by HUTCHINSON.

The Supplier must prove that this has been completed by sending photograph(s) of the tooling and/or equipment. The photograph(s) must clearly show the required markings (plaque or engraving) and the part(s) for which the tooling and/or equipment was commissioned.

This information must be included with the *product qualification* file.

6.6.3. Liability and Insurance

The Supplier, as the depository of the tooling and/or equipment, shall be solely liable for any loss or damages, whether direct or indirect, material or immaterial, consecutive or non-consecutive, caused to the tooling and/or equipment or by the tooling and/or equipment.

The Supplier agrees to insure the tooling and/or equipment for which it is the depository with an insurance contract (see the General Purchasing Conditions).

6.6.4. Tooling and Equipment Modification and Maintenance

The Supplier agrees to properly repair and maintain (preventative and curative maintenance) the tooling and/or equipment on loan, under its own responsibility.

The Supplier is responsible for updating the date stamps and major indexes as required for the duration of the tooling and/or equipment.

All tooling and/or equipment conservation and maintenance expenses are the responsibility of the Supplier. Any decision to restore or renew the tooling and/or equipment is the responsibility of HUTCHINSON. A bipartisan agreement will discuss responsibility for the costs related to the restoration or renewal of the equipment.

The Supplier provides HUTCHINSON with a summary list of the tooling and/or equipment as part of the initial samples file (PPAP file). The list must include the date the tooling and/or equipment arrives and its maintenance logs.

6.6.5. Equipment Guarantee

When an Equipment Guarantee is required, the supplier must inform HUTCHINSON about the end of the contractual guarantee. This alert must be given early enough to allow for new equipment to be developed, the supplier/HUTCHINSON/Client approval time and the end of the current equipment guarantee.

In the case of use of equipment no longer guaranteed, the Supplier must provide HUTCHINSON with a quality and logistic risk analysis related to the state of the equipment as well as a proposal including measures to take. Any costs related to these action plans shall be discussed by HUTCHINSON and the Supplier.

7. DELIVERING THE PRODUCT

7.1. Probative Delivery Requirements (Delivery Pending Acceptance)

The Supplier must provide proof that the product meets the HUTCHINSON quality requirements for the delivery of the first lots produced as a series (i.e. results of inspections and testing or certificate of analysis. See section 6.5 for specific requirements for automotive and aerospace).

The Supplier has an order and is regularly informed about the delivery schedule that it must meet. Respect for the delivery quantities and schedules set by HUTCHINSON is an essential requirement that the Supplier must observe.

During this period, all deliveries must include an analysis certificate, in particular certifying that the products delivered have been checked by the Supplier and that they have been declared compliant with established controls, unless otherwise stated.

7.2. Serial Delivery Requirements

The Supplier takes all necessary provisions to ensure the delivery of products compliant with the contractual specifications (ex. production surveillance plan) accompanied by a delivery slip and the complete documentation.

Product deliveries without a delivery slip and the corresponding documentation may result in non-compliance, per section 8 of this document.

Each container or unit of material (coil, box, bag, etc.) must have labels that provide traceability to part number, manufacture date, quantity, and PO number.

Machine readable label coding (i.e. QR or bar code) is critical to processing material receipts for some HUTCHINSON groups. The supplier agrees to verify and comply with the requirements of the HUTCHINSON group(s) it services.

At HUTCHINSON'S request, the supplier agrees to share the results, measurements or findings for analysis purposes.

In particular, for all special characteristics, the Supplier implements statistical process control (SPC) and follows its capability levels *that must stay conform to §6.2 requirements*

The Supplier of any serial product delivered agrees to inform HUTCHINSON (and request deviation when applicable) about:

- any non-compliance or discrepancy that it may detect during production or quality control operations,
- any delivery that does not follow the continuity of the delivery history (for example, a different configuration for a parameter, even if not specified).
- any process deviation due to the characteristics followed in SPC.

The Supplier agrees to measure:

- the quality level delivered (complaints, PPM, CPM),
- its internal quality level,
- its service rate for HUTCHINSON,
- the level of satisfaction of its HUTCHINSON client,
- all exceptional transportation costs incurred to ensure timely deliveries to HUTCHINSON,
- all supply disruptions to HUTCHINSON.

The Supplier also agrees to:

- use a tracking system that connects the finished product to its different raw material elements as well as its different production stages,
- comply with any information request for a lot,
- make registrations showing the compliance of the product,
- respect FIFO (First In, First Out) principles for all process stages,
- conduct regular inverse tracking audits, particularly for products subject to security and/or regulations,

HUTCHINSON can ask for traceability verification at any time during the life of a program. The supplier must send all the documents within 48 hours of HUTCHINSON's request.

7.3. Requirements regarding the supply chain

The goal is to avoid being held liable for an interruption of production at HUTCHINSON. Supply chain incidents (delays, damaged goods, unsuitable packaging, etc.) will be declared as non-compliant, as defined in section 8 of this document.

The supplier agrees to guarantee the safety of persons and products with regard to packaging, labelling, documentation and the supplies.

All actions required to reach the service rate targets will be taken.

The supplier shall self-assess its logistic system once a year, usually according to the MMOG/LE model. The results of this self-assessment must be sent to the receiving HUTCHINSON sites.

The supplier shall use the exchange systems required by HUTCHINSON, typically the use of EDI for open orders.

The supplier shall adapt its production capacity to meet the workloads represented by the orders. If a risk of late delivery is identified, the supplier shall inform HUTCHINSON immediately. The supplier shall use the most suitable means of transport (taxi, aircraft, etc.) to make the delivery to HUTCHINSON, irrespective of the Incoterms.

All suppliers agree to apply the requirements in the Supplier Logistics Manual, HES PUR P18 G01, *upon request by HUTCHINSON sites. In addition, a progress plan for compliance with this manual must be established.*

7.4. Periodic Re-qualification Requirements

Suppliers must undergo an annual validation of the products supplied to (eg.: according to VDA 6.5) with, at a minimum:

- dimensional inspection results for all print characteristics from all production tools or cavities,
- capability analysis for critical, significant, or special characteristics.
- testing results for all materials / performance specifications

The data and parts resulting from this re-qualification must be provided to HUTCHINSON upon request.

Based on the needs of the HUTCHINSON entities, the frequency of this re-qualification may be increased.

For aerospace market, a FAI file will be asked for any production stop of 2 years or more.

7.5. Modification Management Requirements

The Supplier must never make changes to the product or process without gaining approval from HUTCHINSON first.

The supplier of any serial product delivered firmly agrees to inform HUTCHINSON about any delay that could require a change in its production process.

Some examples of change that require approval include (from the AIAG PPAP manual):

- Use of other construction or material than was used in the previously approved part or product,
- Production from new or modified tools, dies, molds, patterns, etc. Including additional or replacement tooling,
- Production following upgrade or rearrangement of existing tooling or equipment,
- Production from tooling and equipment transferred to a different plant site or from an additional plant site,

- Change of supplier for parts, non-equivalent materials, or services (i.e. heat-treating, plating),
- Product produced after the tooling has been inactive for volume production for twelve months or more
- Product and process changes related to components of the production product manufactured internally or manufactured by suppliers.
- Change in test/inspection method – new technique or Poka Yoke.

Additionally for bulk materials:

- New source of raw material from new or existing supplier,
- Change in product appearance attributes.

This list is not exhaustive – the supplier must check with the HUTCHINSON receiving plant before making any change.

Upon completion of the change, the supplier must requalify the product and process, per section 6.5, before making any shipments.

The Supplier must take the precaution of having a secure inventory allowing it to ensure the delivery times for the modification validation by HUTCHINSON.

Moreover, the Supplier also reports any changes that may be made to the *Safety Data Sheet* and the TDS (Technical Data Sheet).

7.6. Series End of Life Requirements

These requirements involve the period following the periodic deliveries and related to the delivery obligations for replacement parts.

- All suppliers must maintain a production capacity for a minimum of 10 years following the serial end of life phase. This period may be extended at the request of HUTCHINSON for projects with specific clients.
- The reuse of the site, process and industrial means of the Supplier is possible so long as HUTCHINSON is informed and approves.
- The supply flows, supply amounts, delivery frequency, packaging as well as the HUTCHINSON production site can change based on this service part switch.
- A written agreement from HUTCHINSON is required before any Supplier action allowing for the definitive shutdown of its ability to deliver (example: destruction of the equipment, special machine, inventory...).

7.7. Requirements applying to product conservation

The conditions of conservation of the product, and in particular the packaging, storage and transportation must be respected between the time when the product is manufactured by the supplier and its use by HUTCHINSON.

The products delivered must be free of any pollution / contamination that is visible to the naked eye and / or that could result in a substandard appearance.

Electronic components and subassemblies must be placed in conducting packaging materials for protection against ESD.

7.8. Requirements on reworks

Any rework must be applied according to a standard formerly approved by HUTCHINSON

8. REQUIREMENTS IN CASE OF NON-COMPLIANCE

All HUTCHINSON suppliers agree to maintain a system to control and prevent the use or shipment of materials which do not conform to specifications. Any discrepancy with the order specifications or conditions - whether technical or otherwise – are included in a complaint sent to the Supplier in question.

- When a non-compliance is found, the site that discovered it opens a complaint to the Supplier in the HUTCHINSON purchasing portal, iValua, found on line at <https://ivalua.hutchinson.fr/>.
- The Supplier involved in the complaint agrees to:
 - undertake all activities necessary to sort and identify the status of all material in the value stream, including
 - supplier stocks,
 - stocks in transit either to HUTCHINSON or its customers,
 - HUTCHINSON stocks, and
 - stocks delivered to HUTCHINSON's customer or by HUTCHINSON to its customers.
 - inform all the HUTCHINSON sites that are potentially impacted by the non-compliance,
 - determine the root cause(s) of the non-compliance and implement corrective action(s),
 - respond via the 8D format in the HUTCHINSON purchasing portal, iValua.
- Any claims may result in reinforced inspections of the discrepant product.
- The supplier is responsible for the inspections made at any point in the value stream. The supplier may call on third-party companies to perform these inspections, sorting and stock protection operations. HUTCHINSON reserves the right to grant access to its sites only to third-party companies that are designated in advance. HUTCHINSON can decide to return the stocks to the supplier for inspection at their discretion.
 - The inspections will cease once the actions taken by the supplier to eliminate the causes of the complaint have proven effective in HUTCHINSON's opinion.
- After any discrepant delivery, the Supplier delivers its products in packaging that clearly shows that they underwent an additional control before shipping (i.e. circular label).
- In certain cases of non-compliance, the Supplier may request a deviation from HUTCHINSON before shipping, which, if HUTCHINSON approves, allows it to continue to deliver at least for a given period/quantity. In this case, the supplier shall identify the product according to the requirements
- The Supplier shall remove all products/parts declared non-compliant by HUTCHINSON within 1 month, at most. After this period, the products/parts that have not been removed by the Supplier shall be removed and the cost of their destruction shall be billed back to the Supplier.
- The supplier may ask for cancellation of the complaint if he considered that his fault is not confirmed. For this, he shall show evidences of his non responsibility with analysis. These proofs must be loaded in Ivalua : <https://ivalua.hutchinson.fr>

8.1. Complaint Response Time Requirements

Handling and taking immediate action following a complaint at the HUTCHINSON site must be performed within 48 hours after the complaint is issued.

Determining root cause of the non-compliance and the implementation of corrective actions must be reported within 15 calendar days from the issue of the complaint.

The measures to verify the effectiveness of these corrective actions and the capitalization and overcoming actions must be reported within 1 month after the issue of the complaint. *The measure to verify the effectiveness of the corrective actions shall be done by product / process audits.*

These deadlines may be shortened at the simple request of the HUTCHINSON site, particularly in the case of a claim from a HUTCHINSON site due to a non-compliance in the customer supply.

8.2. Requirements involving the Financial Consequences of a Complaint

The Supplier, being responsible for the quality of the products delivered, shall bear all direct and indirect financial consequences (including the costs resulting from a claim detected by the end customer) as well as the consequences of the defective product delivered.

The costs of issuing a claim amount to 200€ (or equivalent according to the local currency) and cover, among other things, but without limitation, the identification of the defect, the provision of conforming lots in production, the communication charge with the supplier, etc. ...).

This amount is nonetheless subject to increase in relation to the nature of the claim and the details necessary for its treatment.

The costs of issuing a claim will be systematically invoiced for each officially formalized claim on the HUTCHINSON portal.

Complaints originating at HUTCHINSON's client may include an additional cost depending on the HUTCHINSON site (maximum 1300€ or the equivalent based on the local currency). All other costs associated with the claim (i.e. production down time, sort costs, complaint related travel costs, excess scrap, etc.) are in addition to these fees.

8.3. Escalation Process

In the case of a significant discrepancy in the quality or supply chain performance level, an escalation process will be activated in order to return the situation to normal as quickly as possible.

Each HUTCHINSON entity will define its alert thresholds and the expected measures (summons to present the action plans, audits conducted by the supplier, etc.).

For all the HUTCHINSON Group's suppliers, the following cases will systematically trigger the escalation process:

- Non-compliance of a safety characteristic or a safety risk, irrespective of the characteristic (sharp edges on a part, dangerous packaging, etc.)
- Non-compliance of a characteristic subject to regulation
- *Non-compliance of a key characteristic*
- Non-compliance detected by HUTCHINSON's end customer
- Non-compliance detected in a warranty return
- Recurrent non-compliance
- Stock levels that are incompatible with the delivery performance requirements without exceptional means of transport.
- Stoppage of the chain or proven risk of rupture

HUTCHINSON reserves the right to take immediate action against the supplier, possibly with the help of third-party companies selected by HUTCHINSON. The costs of this action will be paid in full by the supplier. The supplier's liability will remain unaffected

If a continuous slippage is observed in the long term (> 6 months), the escalation process will bring about the following consequences:

- Financial penalties
- Audit or plan for progress at the supplier's cost
- Change of status in the panel, usually to "New Business Hold"
- Coordination at division, activity or Group level at HUTCHINSON for shared suppliers

8.4. Guarantee Complaint Processing

Depending on the business sector at the HUTCHINSON site in question, the Supplier may be subject to a guarantee refund. In this case, a new expertise level will be required which takes into account the period between the production of the defective product and its return for analysis.

The requirements in terms of the response time, financial consequences and escalation process apply.

9. REQUIREMENTS REGARDING THE EVALUATION OF SERIAL PERFORMANCE

9.1. Supplier Audit Requirements

Audits at the initiative of HUTCHINSON or its client may be performed by HUTCHINSON on the premises of any Supplier where the quality or logistical performance of the supplier does not comply with the objectives set by HUTCHINSON or show a significant depreciation over several months. Audits may also be made for preventive purposes or as a result of a risk analysis performed by HUTCHINSON or its customers.

- These audits may be performed by HUTCHINSON or a third party organization appointed by HUTCHINSON
- The audit report will be distributed by HUTCHINSON to its suppliers within 10 days.
- Responses to major cases of non-compliance must be received within 1 week
- Responses to minor cases of non-compliance must be received within 1 month
- For each of the audits conducted, HUTCHINSON expects a report on the discrepancies found and the implementation of corrective actions to eradicate these discrepancies.
- The closure deadline of an audit (execution of the actions, verification that the corrective actions are effective and re-qualification) is 3 months maximum.
- HUTCHINSON can ask for these deadlines to be shortened, especially when they are incompatible with the milestones or demands relating to HUTCHINSON's customers.
- The audit will be registered and tracked in HUTCHINSON's purchasing portal, iValua. Suppliers must log onto this portal to respond to the action plans.

9.2. Supplier Evaluation Criteria Requirements

Every year, the HUTCHINSON sites identify the suppliers to be evaluated according to a number of criteria defined in the internal procedure HES PUR P05:

- The performance of any HUTCHINSON Supplier is measured and followed on a monthly basis by 4 standardized Group indicators: PPM, CPM, Number of complaints and delivery performance (OTD).
- Each supplier is also evaluated based on the economic criteria of the purchase, its ability to invest, its ability to innovate and its quality management system level.
- The quality and supply chain performance objectives are set at the start of each year. The suppliers' performance based on the criteria cited below is essential to reach these objectives.
- Pursuant to IATF16949, the following indicators shall also be followed by the HUTCHINSON sites subject to this standard for each supplier:
 - Supply disruption from clients
 - Delivery performance (including freight supplements)
 - Notice of special status regarding quality and delivery problems.

10. OPERATIONAL EXCELLENCE REQUIREMENTS

HUTCHINSON expects its suppliers to conduct programs for operational excellence, whether organizational or technical for products or processes, to reach and maintain the best level of competition in their business sector.

Each supplier must propose ideas for improvement aimed at reducing the total purchase cost of the supplies. It shall contribute to the client productivity programs and thus perpetuate its own markets.

The Supplier agrees to inform HUTCHINSON about its annual improvement plan. The quantified targets set at the start of the year must constitute the input for this plan for improvement.

The supplier shall use adequate tools to lead his improvements action plans (Pareto, 5 Whys, Ishikawa, QOS, etc...)

The Supplier must be able to show at any time the innovative proposals that it has offered HUTCHINSON, as described in the "innovation" criteria under paragraph 5 of this document.

HUTCHINSON reserves the right to initiate support from its suppliers in order to assist them in the process of achieving OPERATIONAL EXCELLENCE. Different tools will be deployed (eg SPACE ...)

11. DEFINITIONS

The following definitions are limited to the sole technical terms used in this document.

- **AIAG:** Automotive Industry Action Group - a not-for profit association created to develop recommendations and a framework for the improvement of quality in the North American automotive industry.
- **Boundary Samples:** Part samples used to supplement the part inspection standard (e.g. visual or sensory) when specific flaws or characteristics are difficult to define or communicate by any other method. The acceptance range of the flaw or characteristic is detailed in a series of parts that are reviewed with the HUTCHINSON client.
- **Bulk Material:** material, typically produced in lots, that is purchased in units other than part, each, or piece (i.e. weight, length, volume, etc.).
- **Deviation:** Written and signed agreement between HUTCHINSON and a supplier authorizing the latter to deliver a product that deviates from the specifications.

- ESD: Electrostatic Discharge
- FMEA: Failure Modes and Effects Analysis – process, widely used in the automotive industry, for identifying potential failure modes, and the effects of those failures, based on experience with similar products and processes
- Initial Samples (EI)/FAI (First Article Inspection): These are the first parts of a new supply performed using serial means and means representing the serial conditions intended for qualification trials for their acceptance.
- Feasibility Commitment: Commitment written and signed by a supplier guaranteeing its ability to meet the explicit and implicit requirements for HUTCHINSON
- Full Frequency Evaluation: see Run at Rate
- Guarantee: when the purchaser is required to pay for a substantial part of a project in advance of delivery of goods purchased, a guarantee provides a form of security. The guarantor undertakes that in the event the purchaser ends the contract for good reason (for example, due to the supplier's insolvency), and the supplier fails to refund the advance payments to the purchaser, the guarantor will refund those payments on the supplier's behalf.
- MMOG/LE (Material Management Operations Guideline / Logistics Evaluation): supply chain reference standard for self-evaluation.
- Poka Yoke (anti-error system): Prevention method that aims to prohibit, by simple means, any error that could have a negative influence on a system (visual, audio, etc).
- PPAP (Production Part Approval Process): This is the production parts approval process.
- Prototype(s): First example(s) of a product created based on a process not provided to validate a design.
- Run at Rate: method of analyzing and measuring a facilities' ability to reach contractually-defined industrial performance objectives (quality, capacity, etc.).
- Security Plan: Document specifying all the provisions to be implemented by the Supplier to remedy any supply or delivery default.
- Standard Work: Document detailing the most efficient method to produce a product (or perform a service) at a balanced flow to achieve a desired output rate. It breaks down the work into elements which are sequenced, organized and repeatedly followed.
- Supplier PPM: this is the Ratio expressed in **Parts Per Million** (parts deliveries / unitary components) of:
 - the quantity of the products rejected by the HUTCHINSON site for a given time period
 - on the total quantity of the products delivered in the same period
- Supplier CPM: this is the Ratio expressed in **Costs Per Million** (deliveries of materials in litres, kilograms, metres, etc.) of:
 - the value of the material rejected by the HUTCHINSON site for a given time period
 - on the total purchase value of the products delivered in the same period
- Supplier service rate (OTD): this is the ratio expressed as a percentage between
 - the number of good deliveries and
 - the total number of deliveries

A good delivery for a supplier is a timely delivery (not late or early) of the part or product specified in the order, in compliance with the quantity ordered. It is implicit that they must be conducted at the site mentioned in the order.
- Surveillance Plan / Control Plan: A preventative work document allowing all verification actions performed to ensure that the specific requirements have been met.

12. REFERENCE DOCUMENTS

The following reference documents may be consulted in order to provide more complete information on the HUTCHINSON requirements.

- | | |
|--------------------|---|
| 1- HES PUR P05 F01 | Supplier Pre-Evaluation Audit |
| 2- HES PUR P09 F01 | System Audit Report – Supplier Evaluation |

- | | |
|---------------------------|------------------------------|
| 3- HES PUR P09 F02 | Product/Process Audit Report |
| 4- HES PUR P18 G01 | Supplier Logistics Manual |
| 5- <i>HES PUR P18 G02</i> | <i>IVALUA Supplier Guide</i> |


For each call for tender, the Supplier undertakes to build its bid according to the following contract code and in the order of precedence established below:

- 1- *GTCP* *HUTCHINSON General Terms and Conditions of Purchasing*
- 2- *Suppliers' documentation (General Terms and Conditions, Technical specification...)*

These documents are available on the HUTCHINSON purchasing portal at the following address:
<https://ivalua.hutchinson.fr/>

EDIT HISTORY

VERSION	DATE	STATUS	EDIT
1	December 2014	CREATION	Creation. This manual replaces the specifications previously codified HUT DQP04, HUT DQP15 and HUT DQP16
2	December 2015	UPDATE	This update includes the specifics of each activity.
3	June 2017	UPDATE	Addition of §6.5.1.4 EPC. Addition of §7.8 reworks. Various clarifications and improvements in some terminologies
	December 2017	UPDATE	New codification of the document
4	March 2018	UPDATE	<p><i>Added requirement for GDPR (EU Directive) in §4.4.</i></p> <p><i>Strengthening the requirements for updating the security plan § 4.8</i></p> <p><i>New possibility of using the HUTCHINSON portal for the documentary exchange in product qualification §6</i></p> <p><i>Organization of the documentary book on the calls for tenders §12</i></p> <p><i>Various terminology adjustments and clarifications.</i></p>

Written by	E. LE BELLEGUY
Date	March 2018
Approved	

Validated by	S. PERRET	A. DELGADO
Date	March 2018	March 2018
Approved	