



Supplier Manual

Foreword

Infastech's successes are attributed to ensuring we achieve maximum satisfaction at all levels of our business. Infastech's employees and suppliers are critical in maintaining our success and developing our Business.

Communication is essential; if Infastech does not clearly communicate requirements, then requirements cannot be met. This Supplier Manual is all about clearly communicating our requirements.

Introduction

Infastech supplies fastening solutions to many of the world's leading companies, in industry sectors as diverse as automotive, electronics, construction and domestic appliances. Infastech works hand in hand with customers to develop innovative solutions to ensure that our customers are always able to meet the demands of an ever changing world.

There are many types of Threaded & Blind fasteners in the Infastech range including fastener types from the Elco, Avdel & Iform brands. All our products are offered as part of a total solution by combining market leading products with quality, robust installation equipment to suit any requirements.

Infastech Headquarters are in Singapore, with manufacturing locations in Asia, Europe and North America. The manufacturing sites are complimented with an extended Global Distribution Centre and Sales Office network.

This manual consists of the following sections;

- General Requirements
- Quality Requirements
- Environmental Management System
- Supplier Evaluation
- New Product Introduction
- Supplier Re-charging
- Purchasing Information
- Packaging Requirements
- Delivery Requirement Information



Infastech's Quality Policy

Infastech is committed to providing value based quality products and services through:

- Focus on continually enhancing customer satisfaction
- Flexibility to grow and change to meet market demands
- Organizational pursuit of organic and strategic growth
- Innovative fastening solutions
- Strong, competent, engaged workforce
- Employee involvement & commitment to continuous improvement

Daran Hopper
VP & GM (Avdel)

Contents

	<u>Page</u>
Distribution and Revision Control	
Overview	6
Distribution	6
Revision	6
General Requirements	
Rights of Infastech	6
Confidentiality	6
Supplier Quality Requirements	
Overview	7
Purpose and Goal	7
Supplier Quality Objectives	7
Supplier Management Philosophy	7
Supplier Responsibility	8
Inspection and Sampling Methods	9
Non-Conformance Requests	9
Supplier Performance	10
Environmental Management System	11
Supplier Evaluation	
Purpose	11
Responsibility	11
Scope	11
Scoring	12
Corrective Action	12
Potential Suppliers	12
Existing Suppliers	12
New Product Introduction	13
Supplier Re-charging	13
Purchasing Information	
Overview	14
Request for Quotations	14
Purchase Orders	15
Purchase Order Terms and Conditions	15
Product Classification	15
Certificate of Origin	15
Electronic Data Interchange (E.D.I.)	16
Supplier Overview	16
Warranty	16
Insurance	17
Sales to Third Party	17
Confidentiality	17



Packaging and Logistics Guidelines

Introduction	18
Contacts	19
Packaging - Boxes	21
Packaging - Pallets	21
Labeling Requirements	22
Paperwork	23
Refusal	23
Non Conforming Consignments	24
Quality Issues	24

Delivery Requirements

Overview	25
Definitions	25
Invoice Requirements	25
International Shipping Documents	25
Certificate of Origin	26

Revision Summary

27

Appendices:

Supplier Manual Receipt
Supplier Overview
Terms and Conditions
Supplier Improvement Plan
ABCD Classification Matrix



Distribution and Revision Control

Overview

This is a controlled document. Infastech SQA & Supplier Development maintains a list of those suppliers and the Infastech internal departments which have received a copy and issues revisions to copyholders. *If the Infastech logo does not appear in blue at the top of each page, assume the copy is uncontrolled.*

Distribution

This manual is written under the direction of Infastech Supply Chain. Infastech SQA & Supplier Development issues controlled copies of the manual. Infastech SQA & Supplier Development issues one electronically controlled copy to each supplier.

Revision

This Supplier Manual will be reviewed and, if needed, revised at least every two years under the direction of Infastech SQA & Supplier Development. After revision, Infastech SQA & Supplier Development will send an email to all copyholders, internal and external, advising the details of the revision and providing a link to the Infastech Supplier Manual located on the Infastech Web Site.

Upon receipt of either the initial copy of this manual or future revision notification emails, and having downloaded the latest revision from the Infastech Web site, copyholders shall confirm receipt by signing the Infastech Supplier Manual Register & Issue / Revision Sheet and returning it to the sender.

General Requirements

Rights of Infastech

Infastech reserves the right to examine all suppliers' documentation, as referred to in this manual and in relation to other requirements of Infastech such as ISO 9001:2000, ISO TS 16949 and GMMOG.

The supplier agrees to permit infastech and its customers (if required) access to all parts of the business premises, including test laboratories, warehouses and other areas of interest, and to allow them to view relevant documents. The supplier also guarantees this for his sub-suppliers.

Infastech accepts any reasonable restrictions imposed by the supplier deemed as necessary to safeguard the supplier's business secrets.

Confidentiality

Suppliers and Sub-Contractors shall protect as a trade secret all commercial and technical information not publicly available which becomes known to them through the business relationship. Information may not be disclosed to third parties or made accessible in any other way. The duplication of any documents that may have been provided is permissible only within the framework of commercial requirements and the terms of copyright.

Failure to comply with the above may result in Legal Action being taken.



Supplier Quality Requirements

Overview

Infastech is committed to serving the needs of our customers by supplying the highest quality and support services in the world. To do this we must continually strive to improve our product quality while providing value to our customers.

Realizing that communication and cooperation are key elements to maintaining high quality standards, this manual has been developed to be used as a guide for aiding suppliers to understand the quality requirements that are expected when supplying products and services to Infastech.

The guidance provided by this manual applies to all purchased components and materials used by Infastech facilities. However, if the requirements of this manual conflict with terms and conditions or specific requirements incorporated into the purchase order, the requirements of the purchase order shall be final.

Questions concerning this manual should be directed to the Infastech SQA & Supplier Development who will act as the primary contact between suppliers and other functions within Infastech.

Purpose and Goal

The purpose of this manual is to define Infastech's expectation of suppliers. Your understanding and compliance with these requirements is an important building block toward achieving our quality commitment to our customers. Continued growth in our current markets and entrenchments in new markets world-wide requires that we not only meet our customers' needs and requirements, but exceed those needs while adding value through enhanced products and services.

Supplier Quality Objectives

The company's supplier quality objectives exist to ensure that our quality requirements are accurately specified and communicated. Specifically, we:

- Expect 100% conformance to all quality requirements
- Strive to ensure that our quality and reliability levels are maintained on a continuous basis
- Strive to eliminate the need for incoming inspection through supplier certification

Supplier Management Philosophy

We require that our suppliers demonstrate the understanding and commitment that quality is designed and built into every step of the manufacturing or distribution process.

Furthermore, we expect a commitment on the part of our suppliers' administrative services to deliver quality as well. Quality must be everyone's job.

Quality can be defined in many ways. We believe "Conformance to Our Customers Requirements, Needs and Expectations" best describes Infastech's philosophy.

Our approach is to consider suppliers as an extension of our own operations. Underlying this relationship is a mutual commitment to assure that quality; cost and delivery requirements are completely defined and agreed upon before delivery begins.

Infastech expects suppliers to maintain a documented quality program to ensure consistency and compliance to our requirements as well as practicing continuous improvement initiatives. Infastech expects suppliers to be committed to introduce and maintain a quality management system that satisfies the requirements contained in ISO / TS 16949. Certification to ISO / TS 16949 is desired but not



mandatory. Suppliers' Quality Management systems certified to Din EN ISO 9001: 2008 or VDA 6.1 can be the basis for this.

ISO 9001:2008 is the minimum requirement of suppliers to Infastech. Where suppliers to Infastech are trading companies, Infastech requires proof of certification of the manufacturers Quality Management system.

In the spirit of partnership Infastech SQA & Supplier Development provides support to our suppliers for the development of the Quality Management system where needed.

Supplier Responsibility

Organization

The supplier shall clearly document their quality system. Personnel who are performing quality functions shall have well defined training, responsibility, authority and organizational freedom to identify, evaluate and solve problems that affect quality.

Quality Planning

The supplier shall review all requirements specified on the Infastech purchase order, engineering drawing and relevant specifications and documents during the earliest practical phase to assure that compliance can be attained.

The supplier is expected to identify and provide for the controls, processes, test equipment, fixtures, tooling and skills required to ensure consistency in product quality.

Infastech expects its suppliers to be committed to a quality assurance program consisting of:

- Defect Prevention
- Problem Solving
- Corrective Action

Records

For each Infastech part number the supplier shall maintain a file consisting of the following items:

- Purchase Order
- Inspection Reports
- Part drawing to the correct engineering change level
- All specifications and documents referenced on the part drawing, purchase order and this manual
- Any deviation requests authorized by Infastech.

NOTE: The Supplier must have a system to ensure that Infastech Document Control is issued with all up-issued drawings and specifications where the supplier has Design Authority.

Measurement and Test Equipment

Measurement and test equipment used in the manufacture and/or inspection of Infastech products will be calibrated to measurement standards that are traceable to the appropriate National Standards of the country of manufacture. Equipment will be calibrated at intervals necessary to ensure accuracy.

Part and Process Validation

Dimensional First Piece Inspections will be performed on parts produced for Infastech. The purpose is to determine prior to delivery that the parts meet the drawing requirements and that methodologies are compatible.

Parts and processes will be validated by using the Production Part Approval Process (PPAP). The PPAP level required will be dependant upon the criticality of the end use. Suppliers will be notified of the PPAP level required through the initial Purchase Order.

First piece samples shall be representative of that produced from production tooling and workmanship that can be expected on future shipments.



If non-conformances are found, the nonconformance is to be noted on the report, and only Infastech will make a determination of the disposition.

An IMDS submission must be made for all parts manufactured for Infastech at PPAP submission stage.

Suppliers must ensure that they and / or their sub-contractors are in compliance to, or have improvement plans in place for compliance to, the industry standards CQI-9, CQI-11, & CQI12 for Heat Treatment and Coating Processes respectively.

Production Part Approval Process (PPAP)

Depending upon the level of submission requested the activities, retentions and document submittal will vary. Please refer to the Production Part Approval Process (PPAP) manual which is available from Infastech SQA & Supplier Development.

After a part is validated for production, a first piece inspection will be performed when:

- The processing method is changed
- Drawing tolerance is changed
- Tooling is moved from one facility to another

Notification of Changes

The supplier is responsible for notifying Infastech SQA & Supplier Development of any changes affecting product quality, performance, reliability, packaging, delivery or workmanship. No revisions to design, materials, tooling or processes are acceptable without prior approval from Infastech.

Material Packaging

If packaging is not specified, the supplier will ensure that good commercial packaging techniques are followed. Improper packaging or lack of proper identification will be cause for rejection of material when received.

Supplier Reliability

Infastech operates on the premise that the supplier has inspected and removed all defective parts from the shipment. A single defect found in the batch will be cause for rejection of the entire batch without further inspection. Infastech will not be liable for product not meeting required specifications. Product will only be accepted upon Infastech's customer acceptance.

A shipment received by Infastech may prove to be defective at a later point in the distribution cycle. The supplier is liable for parts throughout Infastech's receiving, storage and customer locations, except for deterioration due to exceeding shelf life or improper handling.

Inspection and Sampling Methods

Infastech employs a variety of inspection methods. These include sampling inspection. Inspection and sampling methods are determined primarily from historical data. Complexity of the component produced and the criticality of the products end use are two of the criteria which determine the extent of the inspections performed.

Non-Conformance Requests

Infastech requires its suppliers to manufacture or supply all parts to print. Should the need arise to deviate from the drawing; a request must be made to Infastech receiving location Quality Department for a temporary deviation to allow non-conforming product to be shipped.

The request will be evaluated by Infastech's Quality, Engineering and Supply Chain Departments. The request must be supported by full details of the deviation from specification and an appropriate Improvement Plan (See Appendix for example of Infastech Improvement plan).

Infastech will make every reasonable effort to grant such "one time" requests but is under no obligation for approval.



Supplier Performance

Overview

As Timing and Quality are critical factors in our business, product failing to arrive within scheduled “windows” or receiving product that doesn’t meet our quality requirements hinders Infastech’s ability to effectively service our customers.

On-Time Delivery

The acceptable parameters for on-time deliveries are + - 0 days Early / Late. We understand that many factors can hinder the ability for product to be received at one of our Infastech locations within the scheduled “windows”. At this time, we have decided to only rate our suppliers based on “late” deliveries. Infastech is still monitoring all shipments including “early” shipments and will incorporate this into the vendor rating in the near future. The exclusion of “early” shipments in the vendor rating does not give a supplier the authority to release product prior to the scheduled “window”.

Quality

The parameters for Quality are based on non-conforming receipts of material. A non-conformance will be issued for product that does not meet print requirements and for shipments that do not conform to Infastech’s packaging and identification requirements (palletizing, labeling, documentation and shipping). Each occurrence will be recorded within our Quality System and may result in a Corrective Action Request (CAR) to be completed for an individual part or entire shipment.

Parts per Million

The Infastech Parts Per Million (PPM) rating is designed to measure a supplier’s performance in terms of PPM. Dispositions of “use as is” will also be included as rejections.

The rating will be calculated as follows:

$$\frac{\text{Total Non-conforming Parts}}{\text{Total Parts Received}} \times 1,000,000$$

PPM will be calculated over 1 month (current month), and the previous 12 months and reported on a monthly basis. Supplier commitment toward reducing their PPM value on a yearly basis is mandatory.

Actions

When a suppliers rating for any of these Supplier Performance categories reaches an **unacceptable** status, Infastech will advise the suppliers designated representative of the status. This will result in an on-site audit.

For the purpose of this on-site audit, Infastech SQA will contact the supplier and coordinate the timing. Based on the severity, the audit may need to be conducted for longer than one day and may include Infastech personnel from our SQA, Supply Chain, and Operations Departments.

Be advised that Infastech may restrict a supplier from new business opportunities if their status falls below acceptable levels. This is not an action that we would like to exercise, but may deem it necessary based on the responsiveness and willingness of the supplier to meet our requirements.

Quality Performance Evaluation

Infastech will continuously evaluate supplier ratings and performance. Suppliers who have adverse performance below the determined acceptable vendor rating and above the required PPM levels will be expected to provide an improvement plan showing a course of action to achieve compliance.

The supplier Quality Rating is an integral part in the determination of awarding of future business.

Environmental management system

As the world becomes more industrialized environmental protection and conservation of resources are becoming steadily more important social duties. Environmental protection integrated in products and production for all steps in the process - from development to disposal can only be effective and sustainable when realized with the cross-divisional cooperation of all participants. Our declared objective therefore, is to work together with environmentally advanced suppliers and service providers who are willing to undergo environmental certification and who can at least provide documentary evidence of planning in this direction.

We expect our suppliers and service providers to implement and adhere to all statutory environmental protection and safety regulations.

Infastech strongly recommends that the requirements contained in the environmental standard DIN EN ISO 14001, EMAS, ELV, ROHS, REACH and the worldwide Responsible Care Initiative of the chemical industry be incorporated in the QM system and that the system be certified externally.

It is particularly important that development and process planning take into account the potential environmental risks and the environmental impact and that these be communicated to Infastech. Substances banned by the automotive industry must not be used.

Infastech recommends that the requirements of the OHSAS18001 safety standards be integrated in the quality management system.

The supplier shall keep its plants orderly and clean and pay attention to safety in the workplace.

Supplier Evaluation

Purpose

To establish a procedure and method of measuring Infastech's potential and existing suppliers. The procedure will also form the start point for the supplier's development / continuous improvement efforts. Existing focus and selected key potential suppliers will be introduced into the "Infastech Supplier Development Programme" following initial assessment / evaluation.

Responsibility

Infastech's SQA & Supplier Development Manager will be responsible for scheduling and conducting audits. The Infastech SQA & Supplier Development Manager will issue the results and follow-up action plans that are required.

Scope

The Supplier Assessment Report is intended to evaluate the supplier's quality control system. The following areas will be evaluated:

- Management Responsibility
- Quality
- Environment & Safety
- Process Control
- Materials Management
- Logistics
- Sub-Supplier Development
- Design & Development
- Manufacturing & Test Facilities
- Continuous Improvement
- New Product Introduction
- Cost Control

Scoring

The supplier's score will be based on the degree to which they have implemented a Total Quality System that nurtures continuous improvement.

All questions require objective evidence to obtain maximum point value.

Scoring is recorded by section. Points can be awarded for informal systems that are not procedural. Zero points will be awarded for areas that cannot be supported by written procedures or verbal negotiation.

The following guidelines will be used by Infastech:

- If the Total rating is less than 59%, Approval will be Withheld
- If the Total rating is 60% - 69%, Interim Approval will be granted
- If the Total rating is 70% - 79%, Approval will be granted
- If the Total rating is 80% - 100%, A Preferred Supplier status will be granted

Note: Regardless of the Total rating scored, if any section scores less than 50%, Approval will be Withheld.

Corrective Action

At the completion of the initial survey/audit, the areas of concern will be discussed with the suppliers' senior management. Depending on the magnitude of the corrective actions awarding of business may be withheld. An Improvement plan will be necessary to achieve compliance with the supplier survey/audit. This process will be monitored by Infastech SQA & Supplier Development.

Potential Suppliers

All potential suppliers will be evaluated prior to placement of an order. A supplier survey/audit is a prerequisite to an order. If the Total rating is less than 60%, Infastech will not proceed with placing new business orders to supply product.

Existing Suppliers

Following the initial survey and the submission of a Supplier Improvement Plan, audit reviews will be undertaken as deemed necessary to up-date current ratings.

A follow up survey may also be performed for one of the following reasons:

- As a result of current performance or quality issues
- As a result of placement of significant new business
- A change of manufacturing location or senior management

New Product introduction

Supplier project planning is a key aspect of all new projects undertaken by Infastech and consists of a series of meetings to formally review the status of all elements of the suppliers planning process.

Once a supplier has been nominated for work on a new project Infastech Supplier Development will arrange the initial Supplier Project Planning Review Meeting.

The focus of the meeting is completion of the “Supplier Project Planning Status Report” using the Key Questions contained within it. The status of each activity is recorded together with the required actions, responsibilities and timings. Actions and responsibilities may apply to the Supplier or Avdel personnel.

At the end of the Review, page 1 of the Report will be completed to show timings and Status for each Section as applicable. Responsibilities for Action required will be allocated by placing an “X” in the “Supplier” column and/or the names of appropriate personnel in the “Infastech” column. A suitable “Next Meeting Date” will be agreed with the Supplier and details entered on page 1 of the report.

NOTE: Suppliers will be issued with the Infastech “Supplier Project Planning” Manual when awarded new business. This manual comprehensively covers all Infastech’s supplier requirements for New Product Introduction.

Supplier Re-charging

Quality defects or discrepancies in delivery may result in a re-charge to the supplier. The actual charge to the supplier is determined by the costs incurred by Infastech resulting from the discrepancy. Re-charges are typically processed as a debit against open invoices. The following is a summary of the charges typically levied.

A \$150.00 / 120.00 Euro / £75.00 administration, cost recovery charge will be issued in the event of but not limited to the following discrepancies:

- Packing note discrepancies or no packing note submitted with the shipment
- Bar code label errors or no bar code label affixed to shipping container(s)
- Incorrectly labeled containers – label vs. actual container content
- Non-conforming pallet size and markings
- Non-conformance of freight carriers or mode of transport.

In addition to the \$150.00 / 120.00 Euro / £75.00 administrative charges, the charges listed below may also apply:

- Any and all Avdel customer charges incurred as a result of our suppliers’ non-conforming product
- A \$50.00 / 40.00 Euro / £25.00 per man-hour charge on behalf of Infastech for time spent sorting and/or re-working our suppliers’ product



- A \$100.00 / 80.00 Euro / £50.00 charge for all incomplete, incorrect or otherwise discrepant PPAP submissions
- A \$100.00 / 80.00 Euro / £50.00 for failure to supply a Certificate of Origin with the initial purchase order

Debits for charges incurred will be made in the currency specified on the Infastech Purchase Order.

Purchasing Information

Overview

Infastech realizes that only by developing partnerships with our suppliers will we be able to achieve the goal of exceeding the expectations of our internal / external customers and grow our businesses together. In an effort to establish a basis for these partnerships Infastech has established the following requirements:

Request for Quotations

To remain competitive in our increasingly fast paced industry we must respond to customer inquiries in an ever shorter time frame. Our customers demand a competitive and timely response. To support these customer requirements we are issuing Request for Quotations (RFQ) with 24 hour lead times. The ability to process quotation packages accurately and return them within 24 hours is becoming more and more vital. Those suppliers unable to consistently meet this 24 hour submission requirement on Request for Quotations disadvantage Infastech, our customers and themselves. Suppliers must quote us at their lowest possible margin at the outset or risk wasting an opportunity -following up to revise quotes costs all parties valuable time.

It is important that you, the Supplier, complete all of the fields on the Infastech Request for Quotation form. The amount of time spent following up incomplete quotes far exceeds the amount of time needed to complete it properly the first time. Insufficient information will cause a delay in the quoting process and may result in the suppliers not being selected for new business orders to supply product. We have no objection to the use of a Supplier's (own) Quotation Response format as long as it provides all of the information listed below:

- Request for Quote Number (R.F.Q. No.)
- Part Number
- Part Description
- Estimated Annual Usage (E.A.U.)
- Economical Manufacture Quantity (Minimum Order Quantity)
- Release Quantity
- Weight per 1,000 pieces
- PPAP Sample Lead Time
- First Production Batch Lead Time



- Box Quantity
- Cost per 1,000 pieces
- Inco terms
- Country of Origin (where parts are manufactured)
- Deviations from Print Specifications (if applicable)
- Committed PPM Level

Insufficient information can result in a response to be considered invalid and considered as a “No Quote”.

Purchase Orders

Infastech may elect to correspond with a supplier via Discrete Purchase Orders, or Material Release Schedules compiled under our MRP operating system. The supplier must comply with all requirements as stated in the purchase order or supplier schedule contract documents.

Purchase Order Terms and Conditions

Infastech Terms and conditions are included on the reverse of Infastech Purchase Orders. See the appendix for the format of the Infastech Terms and Conditions.

Product Classification

For Infastech’s own products and handtools a standard part classification process has been defined. All Infastech products are classified as A, B, C, or D. This classification process has been defined to optimize product availability, improve customer satisfaction and aid in the increasing of sales. This product classification will also improve stocking levels and better manage peaks in demand through improvements in product availability. See the appendix for the definitions of these ABCD classifications.

NOTE: Suppliers are required to adhere to these ABCD classifications in order to ensure all of the above is achieved.

Certificate of Origin

Upon importing or exporting goods government customs require information on the goods that are crossing their borders. Two key pieces of that information are Country of Origin (COO) and Harmonized Tariff Schedule Code (HTS Code). COO and HTS Codes are specific by part.

In order to comply with U.S., Canadian and Mexican Customs requirements Avdel must have a signed COO certificate verifying COO and HTS codes for all parts supplied. To benefit from the preferential duty treatment offered under the NAFTA program eligibility must be substantiated annually. Infastech also requires a Certificate of Origin for each new item that is supplied within the current year with the initial order. If the merchandise you supply to Infastech is manufactured outside a NAFTA country (US, Canada, or Mexico), a COO certificate is still required. COO and HTS code information is essential for customs compliance, whether or not the goods qualify for NAFTA preferential treatment.

Please make certain all fields of the certificate are completed. The certificate of origin is invalid if the HTS code classification number, producer, net cost, or COO Fields are left blank. The certificate is invalid by missing signature, page numbers or tax identification numbers as well.

HTS codes can vary in length from 6 to 10 digits dependent upon different countries classifications; Infastech requires that you supply the first 6 digits to the US form. Infastech exports your product or procures it



directly into a country other than the US, we may request the 7, 8, 9 & 10th digits dependent on the countries we are selling the product in (The first 6 digits are harmonized). This request will come in a separate communication.

We require information on all products that Infastech has and is purchasing from your company. Without this information Infastech incurs unnecessary duties/taxes and consequently can not supply your goods competitively to our customers.

Electronic Data Interchange (E.D.I.)

Infastech prides itself on its commitment to customer service and customer satisfaction. As a company, we continue to pursue ways of increasing our effectiveness in these areas. The Infastech EDI Program has the potential to build new highs in customer satisfaction through increased efficiencies and time savings.

Electronic access and cataloging is a vastly more efficient means for document management than is hardcopy handling. The EDI Program provides for the electronic transmission of business documents (Schedules, Advance Shipment Notices and Self Billing Invoices) that would otherwise be printed prior to faxing or sent through the mail for hardcopy files. EDI can provide direct customer access to quality and export documents at every level of the supply chain.

With EDI transcription error will be eliminated along with a reduction in lead times and the need for data entry. Suppliers will have the opportunity to limit the number of formats they must provide or comprehend, however, the supplier should purchase the necessary software to ensure interface-free data communication is achieved, that is, that no manual handling is required as this is the most common source of error.

For transmission of EDI Infastech uses;

- VDA (4905, 4908, 4913, 4925)
- EDIFACT (DELFOR, INVOIC, DESADV, ORDERS)

Supplier Overview

Suppliers shall complete an Infastech Supplier Overview Sheet bi-annually or when major changes takes place and return it to the appropriate Infastech Lead Buyer. (Major change is defined as;

- a) Acquiring additional companies.
- b) An addition/deletion of capabilities.
- c) Change of ownership.
- d) Expansion of new facilities.
- e) Change in product mix.
- f) Change in equipment used to process Avdel components.
- g) Etc.

The survey can be found in the appendix or you can request an electronic version from Infastech SQA & Supplier development.

Warranty

Supplier represents and warrants that all products sold to Infastech:

- Comply with specifications, the purchase orders, and releases.
- Are free from defects in material and workmanship.
- Comply with all safety and environmental regulations applicable in the countries of manufacture and sale of the products.
- Do not infringe or otherwise violate the intellectual property rights of any third party (except if products are exclusively supplied in accordance with a design specified by Infastech).

Insurance

The supplier shall at all times insure and keep itself adequately insured with a reputable insurance company against all insurable liability and shall, on request, provide Infastech with evidence of such insurance as Infastech may reasonably require. The supplier shall provide assistance and advice required by Infastech or its insurers for the purposes of contesting or dealing with any action, claim or matter arising out of supplier's performance or failure to perform.

Sales to Third Party

The Supplier shall not, under any circumstances, without Infastech's prior written consent, manufacture for the benefit of or supply to a third party any Products that:

- Are based in whole or in part upon the Infastech drawings or Specifications.
- Use any Intellectual Property Right of Infastech or any of its Affiliates.
- Are based in whole or in part upon the Infastech drawings and/or Specifications, or any derivative product, except for any products or parts that Supplier independently developed or products or parts that are Fastener Industry Standards.

Confidentiality

The Parties recognize that each of them ("Receiving Party") may, during the course of this Agreement, gain knowledge of, have access to, and have otherwise disclosed to it certain non-public information that is proprietary to the other Party and its Affiliates ("Disclosing Party") and which is of a secret or confidential nature ("Confidential Information"). The following information shall be considered the Confidential Information:

- Information concerning the business operations of either Party or its Affiliates (including product planning, manufacturing, development, complaints, budgets, and forecasts).
- Inventions, designs, and research and development programs

The Receiving Party shall not disclose, publish, release, transfer or otherwise make available Confidential Information of the Disclosing Party in any form to, or for the use or benefit of, any third party without the Disclosing Party's prior written consent.

The obligations of confidentiality shall not apply if:

- The Confidential Information is, or becomes (other than through a breach of this Agreement) generally known to the public.

- The Confidential Information was in the Receiving Party's possession prior to its disclosure by the Disclosing Party, as demonstrated by the Receiving Party's written records.
- The Confidential Information is developed independently by the Receiving Party without reliance on information or materials provided by the Disclosing Party, as demonstrated by the Receiving Party's written records.
- The Confidential Information was rightfully received by the Receiving Party without obligation of confidentiality from a third party, as demonstrated by the Receiving Party's written records.
- Disclosure is required by law; provided that the Receiving Party gives the Disclosing Party prompt notice of the request for disclosure, cooperates with the Disclosing Party in obtaining a protective order or other remedy, and discloses only that portion of the Confidential Information which it is legally compelled to disclose.

Notwithstanding the provision of paragraph 2:

- Infastech may disclose Confidential Information to Infastech Affiliates provided that Infastech shall ensure that such Affiliates are aware of and undertake to maintain confidential nature of Supplier's Confidential Information.
- Supplier may disclose Infastech's Confidential Information to its subcontractors to the extent necessary for performing Supplier's obligations under this Agreement; provided that Supplier shall ensure that such Subcontractors are aware of and undertake to maintain the secret or confidential nature of Infastech's Confidential Information

Each Party acknowledges that the disclosure of the other Party's Confidential Information may result in irreparable injury to that Party and that such Party will be entitled to seek injunctive relief in addition to any other legal or equitable remedies that may be available.

The provisions of this confidentiality shall survive termination or expiration of conducting business.

Packaging and Logistics Guidelines

Introduction

Infastech is undergoing progressive changes and improvements in our logistics activities in order to improve the service and satisfaction we can give our customers.

We currently experience a number of issues with inbound consignments that cause:

- Damages and re-packaging
- Poor identification
- Delays in booking in (and paying suppliers)
- Expense to Infastech
- Customer complaints

The stipulations for packaging and logistics outlined within this document **must** be followed in order for us to improve our performance and deliver customer excellence.

Your support is both essential and appreciated.

Issue E November 2010

Contacts

Manufacturing Locations

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Distribution Centres

Canada

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Spain

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U.S.A.

Pa Vang – Buyer / Planner
Avdel USA LLC
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Stanfield
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28163
U.S.A.
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pvang@acument.com

Packaging – Boxes

Goods should be packed in Euro cartons, unless other wise specifically agreed in writing with a member of the purchasing department at Infastech.

Each carton should not exceed **12.5kgs** in weight. Acceptance of cartons exceeding 12.5Kgs will be at the discretion of the receiving Avdel Distribution Centre.

Each carton is to contain full carton quantity. No part filled cartons are to be supplied. Suppliers will not be paid for part boxes.

Appropriate bridges (inserts to prevent carton from being smashed) are to be used if larger carton is used to prevent cartons being damaged.

One of the three sizes below can be used: (All measurements are external):

- Full Euro Carton
310mm x 205mm x 150mm 200kraft/200kraft/171semi chem C flute
- ½ Euro Carton
205mm x 155mm x 150mm 200kraft/200kraft/171semi chem C flute
- ¼ Euro Carton
205mm x 155mm x 75mm 200kraft/200test/171semi chem C flute

Packaging (Avtool Kits supplied from the Czech Republic only)

Each kit is to be packed in a cardboard box sizes 225 x 150 x 100 mm or 225 x 50 x 110 mm or 250 x 55 x 75 mm. The outer label should carry the part number, description, quantity and bar code. Each component within a kit must be individually packed and labeled.

Anti rust protection must be provided where required by using special plastic bags with anti rust inhibitor. Parts that do not require anti rust protection should also be packed in sealed plastic bags. Components within a multi pack can be packed complete in one sealed bag, which must be labeled and protected as above

Packaging - Pallets

- Euro cartons have to be shipped on Euro pallets.
- A Euro Pallet is 1200 x 800.
- Each pallet should not exceed 700kgs in weight.
- Mixed pallets have to be marked for easy identification.
- No metal banding is to be used to secure palletized cartons.
- Plastic banding is mandatory and is to be used to secure palletized cartons.

- Overseas shipments must have solid carton lids on top of pallets. Plastic foil only is not acceptable!

NOTE: Euro pallets should be loaded with consideration to unloading within containers.

When the goods are shipped in a container the Euro pallets should be loaded in a manner that allows fork truck access to unload.

Coniferous wood packaging regulations

The forestry commission announced that with effect from 1st March 2005 new landing requirements applied for wood, wood products and wooden packaging material arriving in the European Community from all countries except Switzerland. The new rule can be found in Council Directive 2004/102/EC.

With effect from then packaging which is found to be in breach of the current landing requirements will now be subject to full remedial treatment at your cost. This will involve fumigation or removal and destruction of the wooden packaging or refusal to land. It is therefore essential that you supply evidence of the treatment or exemption from the regulations.

Goods found to be in breach of the regulations will be held by the Forestry commission pending the supply of proof of exemption or treatment.

If no evidence is forthcoming then a notice will be issued ordering the treatment to be carried out. Costs for storage and carrying out the necessary treatment will be invoiced to you by Infastech.

Labeling Requirements

Euro cartons should be labeled clearly with a barcode label.

Every carton must be labeled.

Odette Barcode label is preferred.

The following information should be clearly displayed. Minimum information is **highlighted**

- **Part number** **Infastech part number**
- **Description** **Infastech part description**
- **Quantity** **Quan** **tity per box**

- **Weights** **Net** **and gross**
- **Date** **Date** **of packing/production**
- **Batch** **Your batch packing reference**
- **Receiver** **Infas** **tech**
- Document Number Infastech order number
- Serials Only if applicable
- Receiver Address Infastech Location
- Carton quantity Number of boxes

Paperwork

The paperwork must include:

- Purchase order number.
- Product.
- Quantity.
- Packaging details.
- Packing list for each pallet.
- Delivery note.
- Consignment note.
- For sea freight “pre-alert”.

Palettes must be clearly marked (front and side of pallet) to indicate which pallet contains paperwork.

Refusal

Infastech will refuse consignments when:

- Product is spilled from the packages.
- Identification is not evident.
- Damage is excessive.
- There are any Health & Safety concerns towards Infastech employees.

Infastech will issue the delivery driver with a full report and signature to confirm why a consignment has been rejected.

All consignments received will be audited using the goods inwards compliance sheet for reference. A full report and digital, photographic evidence will be issued to back up any claims for poor performance. We expect a full 8-D report.

Any consignment that fails to comply will receive the following non-compliance charge for holding up an inbound consignment.

•	Missing/lost shipping documents.	150€ per document
•	Non agreed packaging, wrong content.	20€ per package
•	Damaged, wrong barcode or no barcode label.	25€ per incident
•	Quantity difference shipment vs. delivery note.	10€ per incident
•	Re-packaging efforts due to wrong or damaged packaging, wrong labeling.	Minimum fee = 200€
•	Shipment on non-returnable pallets without Infastech authorization, time & material for recycling.	Cost of non-returnable pallet and re-packing on EU pallets

The costs will be off set against the final invoice received for the consignment in question.

Quality Issues

Any product supplied into Infastech that does not comply with the drawing, material, heat treatment or coating specification of the part number ordered will either be:

- Reworked to specification at a source of Infastech choice at your company's cost unless you provide reworked product or replacement product in due time to prevent damage to customer.

Or

- Returned to you as a reject.

Related or required transport or cost for expediting will be invoiced to the supplier.

Delivery Requirements

Overview

Infastech's Distribution Centres serve the automotive, industrial and commercial sectors globally. These routing instructions will supply you with all the information necessary to ship product from various regions to our Infastech locations globally.



NOTE: Suppliers should use the Infastech nominated forwarder at all times. Details are available from Infastech Distribution Centers upon request.

Definitions

Bill of Lading: This is a document prepared by the shipper and given to the carrier that acts as a contract between the shipper and the carrier. From this document the carrier finds out where the freight is going to (consignee), who will pay the freight bill, what the product is that they are moving, weight, skid count, box count and the carrier drivers signs to confirm he picked up what the Bill of Lading stated in case of a claim at a latter date.

Broker: A company that represents you with authority to clear your goods.

Consignee: All freight is paid by the “consignee” as noted on the carriers’ freight bill.

FCL: Full Container. Shipping an order that fills the allow weight or space. Either full visible capacity but not greater than 17,000 kilos.

Freight Forwarder: Is a company that handles all the movement of the freight from origin to destination. Depending on its authority can be the broker as well and can represent you to customs.

Small Package: This is related to deliveries by courier, for example Federal Express, and is typically for shipments less than 330 kilos.

Invoice Requirements

Infastech requires specific information to be listed on invoices. Delays in payment can be expected by those suppliers failing to provide complete information on invoices.

- Name and address of seller.
- Name and address of buyer.
- Shipping or delivery address.
- Complete description of goods being shipped.
- Infastech part number as indicated on the purchase order.
- Quantity of goods being shipped by Infastech part number.
- Number of boxes and pallets.
- Total weight of part(s) and shipment.
- Total Invoice price in the currency of the purchase order.
- Additional costs incurred listed separately (packing, plating, etc).
- Country of Origin (manufacture).
- Harmonized Tariff Schedule number.
- Terms of delivery / Inco terms (EXW, FOB Shipping Point, etc).
- Invoice must be in English language.

International Shipping Documentation

Original documents must be provided to the designated freight forwarder with every shipment. Infastech also requires these documents to be sent via fax on shipment to our receiving location. The documents required are:

- Original Bills of Lading.



- Supplier Invoice.
- Supplier Packing List.
- Certificates of Origin.

All international shipments require wooden packaging materials (e.g., pallets, crates, boxes, and dunnage). These must be heat treated or fumigated with methyl bromide and marked with the International Plant Protection Convention (IPPC) logo and appropriate country code designating the location of treatment.

Certificates of Origin

This is a required document to do business with Infastech and an example is located in the appendix for your review. Instructions to fill out the attached document can be found at many international documentation web sites. Because Infastech imports and exports goods between countries we need to have accurate data to properly cross the border to assure we are assessed correct duties. This document gives us that ability.

Requirements

All suppliers will be required to provide to Infastech a blanket Certificate of Origin for each calendar year for all parts supplied. If a supplier does not make the finished product and changes its supplier resulting in a change to country of origin a new certificate must be issued.

Classify all your parts based on the Harmonized Code out to 6 digits. We may challenge your classification. After discussion with both parties we will agree on a classification to be put on the certificate.

If you are a distributor and buy product from many different sources, if you can supply a Certificate of origin for each lot in the shipment, that would allow us to cross borders at the correct duty rate.

If you are awarded new parts a Certificate of Origin will be required with the initial orders.

Certificates of Origin are a requirement of doing business with Infastech.

Revision Summary

The following documents have been issued to you as the Registered Holder of the Infastech Supplier Manual:

Revision Summary Record		
PAGE No(s)	ISSUE	DETAILS OF CHANGE
All Pages	DRAFT	Draft Issue
All Pages	A	Full Launch Issue
Pages 7&8	B	ISO 9001:2000 changed to ISO9001:2008
Page 8	B	Note added referring to supplier's responsibility for circulation to Avdel Document Control of up-issued drawings & specifications for Supplier owned Designs & Specifications.
Page 9	B	Addition of requirement for compliance to CQI-9, CQI11, CQI-12
Page 19	B	Warrington Manufacturing contact name and details changed from Mark Williamson to David Richards. Stanfield Manufacturing contact name and details changed from Carter Sanders to Kurt Bowman. France (Paris) Distribution Centre contact name and details changed from Alain Fable to Jean Pierre Lambriquet.
Page 20	B	UK Distribution Centre contact name and details changed from Mark Williamson to David Richards.
Page 3	C	Simon Thomas replaces Martin Kunz as GM signatory
Page 3	D	Daran Hopper replaces Rainer Lemmer as signatory

Appendix Listing

- Supplier Manual Receipt.
- Supplier Overview.
- Terms and Conditions.
- Supplier Improvement Plan.
- ABCD Classification matrix.



Infastech Supplier Manual Issue Receipt

Infastech records show the Registered Holder of the Supplier Manual as listed below:-

Contact Name:-
 Title:-
 Email Address:-

Company:-
 Address:-

All future updates will be sent to this email address.

If this information is incorrect or you wish to change your nominated Registered Holder, please complete the form below and email this sheet back to:
pawilliams@acument.com

Contact Name:-	
Title:-	
Email Address:-	
Company:-	
Address:-	

The following revised documents have been issued to you as the Registered Holder of the Infastech Supplier Manual:

DATE:-	
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PAGE No(s)	ISSUE	DETAILS OF CHANGE
All Pages	E	Change of company name from Avdel to Infastech

Recipient Signature:	
Recipient Name:	
Date:	

Date

Supplier Overview

Supplier Name		Parent Company	
Contact			

Supplier Address	Telephone
	Fax
	e-mail

Established Date	Monthly Turnover
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Capacity	Overall Production Capacity	Actual Production / Month	Maximum Production / Month

Capacity	Product	Actual Production / Month	Maximum Production / Month
1			
2			
3			
4			
5			

Customers	Major Customer	Products	Volume / Month	Supplied
1				(Years)
2				(Years)
3				(Years)
4				(Years)
5				(Years)

Total Employees		Organisational Chart	YES / NO	Please Supply
------------------------	--	-----------------------------	----------	---------------

Responsible Person For Quality	Telephone
	Fax
	e-mail

System Accreditation Tick as Appropriate	TS16949	ISO14001	ISO9000 2000	OHSAS 18001	Other			
Other System Assessments Tick as Appropriate	AIAG CQI-9	AIAG CQI-11	AIAG CQI-12	IMDS	REACH	R o HS	WEE	

Please supply all relevant certificates or assessments.

AVDEL UK LIMITED
CONDITIONS OF PURCHASE

DEFINITIONS

- 1.1 "The Company" means Avdel UK Limited having its Registered Office at Pacific House 2 Swiftfields Watchmead Industrial Estate Welwyn Garden City Herts AL7 1LY England.
- 1.2 "The Supplier" means the supplier to whom the Order is issued.
- 1.3 "The Order" means the Company's order printed overleaf to the Supplier in respect of the Goods.
- 1.4 "The Goods" means the goods specified in the Order and all parts or components of them and/or all work to be done by the Supplier as specified in the Order.
- 1.5 "The Contract" means any contract for the purchase of the Goods by the Company from the Supplier and shall incorporate the Order any specification drawings or conditions referred to in the conditions set out below and all terms and conditions implied by law.
- 1.6 "The Customer" means the person or body for whose purposes the Goods are ordered by the Company.

EXISTENCE OF CONTRACT

- 2.1 The Order is liable to cancellation unless accepted by the Supplier within 20 working days of the date of the Order. Acceptance shall be by means of any written acknowledgement whether or not it seeks to impose new conditions (unless clearly stated on its face to be a counteroffer) or delivery of the Goods.
- 2.2 These conditions shall be incorporated in the Contract to the exclusion of any terms or conditions stipulated or referred to by the Supplier.
- 2.3 No goods or no variations of an Order will be accepted unless a uniform order in this official form has been issued.

MARKING OF GOODS, TERMS OF PAYMENT, ETC.

- 3.1 The Supplier shall:
 - 3.1.1 on despatch of the Goods or completion of any work send detailed advice notes (which shall accompany the Goods) and Invoices in which VAT will be shown as a strictly in item;
 - 3.1.2 send by the 7th day of each month a statement of all invoices rendered during the previous month;
 - 3.1.3 mark the Company's order numbers and any part numbers on all invoices, advice notes, statements, correspondence, packages and packing.
- 3.2 Without prejudice to any other remedy the Company may delay payment if the Supplier fails to comply with the provisions of condition 3.1.

DELIVERY

- 4.1 The Supplier shall adequately pack and protect the Goods against damage and deterioration and deliver them not earlier or later than the time or times specified in the Order at the call point or points specified in the Order or as the Company directs. Time shall be of the essence.
- 4.2 The Supplier shall furnish such programmes of manufacture or completion as the Company requires and shall promptly advise the Company in writing if such programmes are or are like to be delayed.
- 4.3 The Supplier shall be responsible for any expenses incurred to deliver any incorrectly delivered Goods to the correct delivery point or return any items delivered in excess of the quantity specified in the Order.
- 4.4 The Company shall have no responsibility for packing materials or cases.

QUALITY ASSURANCE REQUIREMENTS

5. The goods shall conform to the drawing and/or specification stated on the order.
 - 5.1 Avdel UK Limited require all its suppliers to operate a policy of zero defects. If sampling inspection is used, it must be to zero defect acceptance levels.
 - 5.2 The Goods shall also conform to whichever of the following Quality Assurance Conditions are specified on the face of the Order and the appropriate Certificate of Conformity or other approved Certificate shall be produced in each case:
 - 5.2.1 the quality requirements specified in the Suppliers MOD Registration and/or BSE750 Approval and/or CAA Approval;
 - 5.2.2 the requirements of an MOD Contract and in particular those of Def. Stan. DE.61 (Part 3/1). In this case the Order may be subject to Quality Assurance activity at the Suppliers works by the MOD QAR who will advise the Supplier accordingly.
 - 5.3 The Company or Customer representative shall be entitled to have the "Right of Entry" to verify, inspect or test the Goods or the quality of work, records and materials at any reason time at the Premises of the Supplier. No inspection or test or omission to inspect or test shall constitute acceptance of the Goods or affect the liability of the Supplier hereunder.
 - 5.4 The Goods may be rejected on the basis of sample inspection irrespective of whether all or only part of a batch may be defective.

PASSING OF TITLE AND RISK

6. Title to and risk in the Goods passes on the date (if any) specified in the Order and if none is specified on the physical delivery of the Goods in accordance with the Order.

FREE ISSUE MATERIALS

7. All materials including without limitation any jigs tools drawings patterns gauges samples and specifications made available by the Company in connection with the Contract shall be on return the property of the Company and the Supplier shall:
 - 7.1 keep those materials in good order and condition and be responsible for any loss of or damage to them;
 - 7.2 use those materials only for the purposes of the Contract; and
 - 7.3 return those materials carriage paid to the Company upon the Company's request at any time or if no request is made upon completion of the Contract.

TERMINATION/REJECTION

- 8.1 If the Supplier defaults any of its obligations under the Contract becomes insolvent has a receiver appointed of its business or is compulsorily or voluntarily wound up or if the Company bona fide believes that any such events may occur the Company shall be entitled at its discretion without prejudice to any other remedy to suspend the performance of or terminate the Contract and in the event of termination to keep or take possession of any Goods or of any items belonging to the Company and to enter any premises of the Supplier for that purpose.
 - 8.2. If any Goods do not comply in every way with the specification/user requirements of the Company and where the Goods fail in any way to meet this condition and/or there is a breach the Supplier of the implied conditions in Section 13, 14 and 15 of the Sale of Goods Act 1979 as amended however slight the failure to meet these requirements and Section 15A(2) of the Sale of Goods Act 1979 shall apply the Company reserves the right without prejudice to its other rights and remedies:
 - 8.2.1 reject the Goods in whole or in part;
 - 8.2.2 permit the Supplier to replace repair or restate the Goods so that they conform to the Contract; and
 - 8.2.3 carry out or have carried out at the Supplier's expense such work as is necessary to conform the Goods to the Contract.
 - 8.3 If the Company rejects any Goods the Supplier shall return all payments already made for the rejected Goods.
 - 8.4 No failure or delay on the part of the Company to exercise any of its rights in respect of any default under the Contract by the Supplier shall prejudice its rights in connection with the same or any subsequent default.

INDEMNITY

- 9.1 The Supplier shall indemnify the Company against any loss damage or injury to the Company, and claim in respect of loss damage or injury made against the Company by third parties any costs and expenses arising in connection therewith which result from the Supplier's failure to comply with the Contract (whether negligent or otherwise) and in particular resulting from defects in the Goods or their materials construction workmanship or design (to the extent that the Supplier is responsible for design) or any claim that any Goods prepared supplied under the Contract otherwise than exclusively in accordance with a design or instruction given by the Company infringe or are alleged to infringe the rights of any third party claimed under or in connection with any patent registered design copyright or breach of confidence.
- 9.2 The Supplier shall be at all times adequately insured with a reputable insurer against all insurable liability under the Contract.
- 9.3 The Supplier shall provide all facilities assistance and advice required by the Company or its insurers for the purpose of contesting or dealing with any action claim or matter arising out the Supplier's performance or purported performance of or failure to perform the Contract or out of any such defect as is specified in Clause 10.1.

DESIGNS

- 10.1 The copyrights designs drawings and other documents prepared in connection with the Order or the Contract or supplied to the Company shall belong to the Company.
- 10.2 The Supplier shall use those documents only for the purposes of the Contract and shall return them carriage paid to the Company upon the Company's request at any time or if no request is made upon completion of the Contract.
- 10.3 The Supplier shall be responsible for any errors or omissions in any drawings calculations or particulars supplied by it whether or not such information has been approved by the Company.

CONFIDENTIALITY

11. The Contract and its subject matter are confidential. The Company owns the copyright in all drawings and data originated by the Company. Such drawings and data shall not be disclosed or used for any unauthorised purpose. The supply of any products in accordance with such drawings or data to any party other than the Company would constitute an infringement of the Company's copyright and of any relevant patents or registered designs.

HAZARDOUS GOODS

12. Hazardous goods must have prominent warnings in English on all packages and documents. Carriers/shippers must be informed. The Supplier's attention is drawn to the English laws relating to the packing, labelling and carriage of hazardous goods. The directions contained in the C.I.A. booklet "Marking Containers of Hazardous Chemicals" should be followed in appropriate circumstances.

STATUTORY AND OTHER REQUIREMENTS

13. The Supplier undertakes that the Goods are safe and without risk to health when properly used and comply in all respects with all relevant statutes regulations byelaws and standards in force at the date of delivery including without prejudice to the generality of the foregoing the Factories Act 1961 and the Health and Safety at Work Etc. Act 1974. The Supplier shall use in respect of the Goods such information about the use of them as complies with the Health and Safety at Work Etc. Act 1974 and proper evidence of all tests and examinations and raises made in compliance with the provisions of the Act.
 - 13.1 All work undertaken on site by Suppliers Contractors and Sub Contractors is to be done within the constraints of current safety legislation.
 - 13.2 Only fair and reasonable expenses of Suppliers Contractors and Sub Contractors' representatives supported by detailed receipts will be honoured.
 - 13.3 Vehicles of Suppliers Contractors and Sub Contractors are to be parked only in designated unloading and parking areas.

ASSIGNMENT AND SUB-LETTING

14. The Supplier shall not assign or without the written consent of the Company sub-let the Contract in whole or in part and it shall be a condition of any such consent to any sub-letting the Contract that the Supplier shall:
 - 14.1 ensure and be responsible for the compliance by any sub-contractor with the terms of the Contract;
 - 14.2 include in the sub-contract provisions consistent with these conditions for the benefit of and enforceable by the Company; and
 - 14.3 furnish the Company with copies of any sub-contract upon the Company's request at any time.

FORCE MAJEURE

15. In the event of a contract between the Company and the Customer relating to Goods being cancelled delayed interrupted or otherwise restricted by force majeure including without limitation lock-out or strikes of workmen or any other cause whatsoever beyond control of the Company the Company shall be at liberty without incurring any liability to the Supplier to defer the date of delivery or the cancellation of the Order.

LAW AND CONSTRUCTION

- 16.1 The Contract shall be governed by English law and the Supplier consents to the exclusive jurisdiction of the English courts in all matters regarding the Contract.
- 16.2 The headings of conditions are for convenience of reference only and shall not affect their interpretation.

NOTICES

17. Any notice to be given under the Contract shall be in writing and telexed sent by facsimile transmission or forwarded by first class pre-paid letter post to the receiving part at its business address as last notified in writing to the other party and shall be deemed to have been given on the date of the telex or facsimile transmission or on the day following that on which the notice was posted.

YEAR 2000

18. Where any Product is computer hardware or software, contains computer hardware or software or relies on computer hardware or software for its function the Supplier hereby represent and warrants that the Product shall operate accurately and without interruption before, during and after 1st January 2000. Without limitation, each such Product shall:
 - (a) allow the entry and processing of four digit year date data or correctly infer the century from two digit year date data, involving (without limitation) data data recognition, calculations which accommodate same century and multi-century formulae and date values, and date data interface values that reflect the century; and
 - (b) recognise and process dates for leap years which for the purposes of this clause means years exactly divisible by four.

The Supplier hereby undertakes to indemnify us against all claims, losses, liabilities, costs and expenses suffered by us to the extent that the same arises from or in connection with any breach or alleged breach of the foregoing warranty and representation.

29th May 1998

ABCD Classification Matrix

Product Class	Manufacturing Lead time rules	DC responsibility	Supplier responsibility	Ordering rules	Demand management
A : High volume standard	DC forecast available : Frozen period=4weeks+6 month forecast min	Safety stock to be maintained locally	Safety stock to be maintained	Scheduled by EDI	100% forecasted
	Forecast not provided by DC: Max 8 weeks.			Close order, delay mandatory acknowledged by supplier customer logistics.	
B : Low volume Standard	DC forecast available : Frozen period=4weeks+6 month forecast min	No safety stock to be maintained locally	Min Max Stock to be maintained to ensure short lead time deliveries (<4 weeks)	Scheduled by EDI if monthly repetitive qty	100% Forecasted
	Forecast not provided by DC: Max 8 weeks.			Close order, delay mandatory acknowledged by supplier customer logistics if one timer	No forecast required
C : High volume Special	DC forecast available: Frozen period=4weeks+6 month forecast min	Safety stock to be maintained locally	No safety stock to be maintained excepted for technical reason. To be decided by supplier	Scheduled by EDI	100% Forecasted
	Forecast not provided by DC, lead time fixed by part by the supplier			Close order, delay mandatory acknowledged by supplier customer logistics	
D : Low volume Special	lead time fixed by part by the supplier	Safety stock to be maintained in case of repetitive order or contract with customers	No safety stock to be maintained	Scheduled by EDI if monthly repetitive qty	100% Forecasted
		No safety stock to be maintained		Close order, delay mandatory acknowledged by supplier customer logistics if one timer	No forecast required



Supplier Manual