

SUPPLIER REQUIREMENT MANUAL

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1 PURPOSE OF THE PROCEDURE

This is the latest edition of the “Supplier Requirement Manual” which suppliers shall read and understand

This manual is a publication adapted to changing requirements, and an essential tool for assuring the quality of purchased goods (wire rod and critical auxiliaries).

The most important requirements are clearly defined and explained, aiming at creating a fully transparent communication between Bekaert and its suppliers.

It is subject to evaluation, updating and continuous improvement.

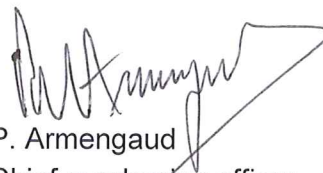
As usual, the contents are based on the current international standards for quality, environmental, health and safety management, DIN EN ISO 9000 ff, ISO/TS 16949, ISO 14001 and OHSAS 18001 and the requirements of the Bekaert Group.

At Bekaert, we attach great importance to working closely with our customers and suppliers, starting as early as the first concept, in order to achieve optimal product design, performance and cost objectives.

Our suppliers are fully and solely responsible for the best quality of the supplied goods and must fulfil all relevant standards and specifications. They comply with laws and regulations in both the country of origin and the country of destination.



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2 MOTIVATION FOR CHANGE

New procedure.

3 SCOPE

All wire rod and critical auxiliaries.

4 DEFINITIONS/ABBREVIATIONS

Critical auxiliaries are all materials that are expected to have substantial impact on the final properties of the finished product, through direct application on the product or via the processes.

5 SUMMARY OF RESPONSIBILITIES

- Purchasing department
- Central Quality Assurance

6 SUPPLIER REQUIREMENTS

6.1 GENERAL INFORMATION

6.1.1 Certification

The Bekaert Group is certified ISO 9001 and ISO 14001, some divisions ISO/TS 16949 and OHSAS 18001. For Wire Rod suppliers and suppliers of critical auxiliaries next is valid:

Minimal certification required from suppliers: **ISO 9001**.

In the absence of certification, auditors of Bekaert will audit the supplier to check if the working methods of the supplier comply with ISO 9001.

The minimum requirement in the absence of certification is that the supplier has established an action plan* to acquire certification or to comply with ISO 9001 standard.

*Action plan within a timeframe of 1 year.

6.1.2 Quality of the product

The suppliers are fully and solely responsible for the quality of the delivered products to Bekaert. Bekaert is entitled to inspect the production facilities of the suppliers. In no event shall such inspection, or any suggestions provided by Bekaert diminish the liability of the suppliers for its products. The Bekaert Group can, but has no obligation to control incoming material through sampling or otherwise. Any acceptance (e.g. of initial samples) does not affect the right of Bekaert to declare a shipment as non-conforming if during serial production a non-conformance arises. Serial production means all deliveries after the approval of initial samples.

6.1.3 Regulatory conformity

Suppliers must at all times supply products that comply with all applicable governmental and safety requirements on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic requirements applicable to the country of manufacture and sales.

Add SDS for the first delivery and every time a change occurs and according to regulatory requirements (not for wire rod).

Suppliers might receive instructions for submitting reports on the IMDS site if applicable:

www.mdsystem.com.

6.2 ADVANCED QUALITY PLANNING AND NEW PART APPROVAL

6.2.1 New part approval

if applicable and agreed with Bekaert (in case of automotive end products; initiative will be taken by Bekaert)

Both wire rod and auxiliaries can be submitted to PPAP. The supplier will be informed by Bekaert in case he needs to submit a PPAP.

First samples delivery - PPAP (Production Part Approval Process)

The supplier shall submit samples and documentation for approval in the following cases (all the below procedures have to be approved by an authorized person within Bekaert before starting):

- New supplier or new product
- Engineering changes
- Change in production procedures or manufacturing site
- New manufacturing equipment

All requirements in drawing or by specification form, approved by an authorized person within Bekaert, have to be met.

The Supplier shall examine all the information included in the documents received from Bekaert and will notify immediately of any possible inaccuracy, error or omission. If necessary and without any additional compensation, the most suitable corrections will be proposed by the Supplier.

By supplying a new part the Supplier acknowledges receipt and understanding of all data and specifications to fulfil the purchase order requirements.

When suppliers cannot meet the specifications they will immediately contact the Bekaert Purchasing department.

Initial samples: the supplier shall submit initial samples from serial production tooling and stable production procedures. It is the supplier's responsibility to ensure that the parts meet all drawing and material specifications prior to submission. Samples that do not comply with requirements of Bekaert will be rejected.

Each exception or deviation from the specifications or other requirements of Bekaert, as originally transmitted, need prior written approval from an authorized person (Quality dept.) in Bekaert. Initial submission of samples and, if applicable, PPAP file (PSW, Dimensional report, SPC report, COA, R&R and Control Plan) will be sent to the respective Quality department.

The Supplier must guarantee their products will be in compliance with approved samples, with no deviation.

Only products, articles, parts and services officially approved, according to the procedure set forth in the quality system by Bekaert, can be supplied.

6.2.2 Advanced quality planning

Bekaert encourages all suppliers to work according to the Advanced (Product) Quality Planning with the following tools:

- PFMEA
- Control plan
- Process flow chart
- SPC
- Process instruction

If agreed with Bekaert, Requested information/documents from the suppliers are: process flow, certificates, contingency plan and approved specifications.

6.3 SUPPLIER APPROVAL AND SUPPLIER EVALUATION

6.3.1 New Supplier and/or new product approval

The approval procedure includes the following steps:

- On request, the suppliers must complete the supplier self-audit or Bekaert will conduct an audit.
- All suppliers of Bekaert are compliant with at least ISO 9001. They are certified or in the process of certification: see Chapter 3, point 3.1.
- All suppliers' systems have to pass successfully the approval procedure.
- All suppliers' products have to pass successfully the approval procedure (according to approval procedure of the concerned activity platform within Bekaert).

6.3.2 Supplier evaluation

Regularly, an evaluation will be done for each supplier based on the Bekaert supplier evaluation.

6.4 SERIAL PRODUCTION - SHIPPING DOCUMENTATION AND PRODUCT LABELING

The supplier will confirm the receipt of an order – the supplier shall execute such order and comply with all requirements of such order.

Each shipment is to be accompanied by a packing list / bill of loading that clearly identifies the following data:

- Supplier name
- Date of shipment
- Packing slip No.
- Purchase order No.
- Bekaert Part No.
- Part description as stated in the Purchase Order
- Quantity shipped
- Lot numbers of delivered goods

Other documentation needed:

- COA of material
- CMR incl. gate number for delivery at Bekaert
- Other requested documents

Each packing unit will be labelled and identified in according with the following specifications:

- Suppliers name
- Bekaert part No.
- Part description
- Lot No.
- Quantity in the package

6.5 IDENTIFICATION & TRACEABILITY

Identification of products (cavity no., catalogue no., etc.) will be defined in coordination with the Bekaert Purchasing and Quality department.

For lot traceability, Bekaert requires that the supplier establishes and maintains procedures for identification of the production lots from receipt of raw material through production, shipment and supplying of final product.

The lot traceability system must permit isolation of products and a report of all data concerning lot production (materials, production and control).

Bekaert expects the supplier to provide lot traceability data on request, based on data that identifies the shipment.

All products inspection results have to be kept by the supplier for the appropriate time applicable in the country or market.

6.6 NON-CONFORMITIES

All supplier non-conformities (quality, delivery, logistics, design, paperwork, etc.) will be formally documented and sent by Bekaert to the supplier.

The supplier is required – within 48 hours of receipt of the official complaint – to acknowledge the receipt of the complaint and, if applicable and on request of Bekaert, to submit an initial answer including an action plan regarding the inventories of lot-related products at his site and at Bekaert's site ("immediate actions" part of the 8D)

On the official Bekaert complaint form, the supplier will be required to define the status (rework; scrap) of the non-conform product processing.

Within 20 working days of receipt of the report - the supplier will submit an action plan including:

- Root cause of non-conformance
- Corrective actions taken with completion dates
- Preventive actions implemented
- Verification / effectiveness of the above

In the event the supplier is unable to meet the quality, delivery, specification, drawing, etc., he may request a deviation approval. The supplier's request for deviation must be submitted to the Purchasing department, where the conditions for approval have to be discussed with the Quality department. The Quality department reserves the right to deny the deviation request.

6.7 RESPONSIBILITY OF BEKAERT GROUP

- Bekaert will provide all product specifications.

Bekaert Approved Agreements:

- Bekaert will support the supplier during the development and manufacturing stage if agreed in writing during the negotiation stage (Joint development agreement or co-manufacturing agreement).
- Bekaert will supply forecasts for production and orders for delivery as agreed at the negotiation stage.

7 CORRECTIVE ACTIONS

N/A

8 REFERENCES/ANNEX

Annex 1 – Supplier requirement manual agreement form.