

OBJECTIVE

This specification defines the requirements to be met by GRIMONPREZ suppliers and subcontractors.

Suppliers must be able to deliver products and the documentation conform to the requirements.

SCOPE OF APPLICATION

This manual applies to all suppliers and subcontractors involved in the implementation of the product delivered by GRIMONPREZ to its customers.

Supplier: Delivered raw material. Is subject to a purchase order.

Subcontractor: Occurs over a routing operation. The subject of a work.

REVISION

Date	Indice	Modification
20/05/22	04	Refonte et version anglaise

1 SELECTION AND EVALUATION OF SUPPLIERS AND SUBCONTRACTORS

1.1 Selection of suppliers and subcontractors

A supplier or subcontractor is evaluated on its ability to

- ✓ meet our technical requirements,
- ✓ to take into account the requirements of this document.

The ISO9001 standard is the minimum reference for the organization of the selected suppliers and subcontractors.

The supplier must inform GRIMONPREZ of the evolutions of its certifications.

The ability of suppliers and subcontractors to meet the requirements of GRIMONPREZ may be subject to an evaluation audit such as a system audit or production process audit.

1.2 Reassessment and measurement of supplier and subcontractor performance

We evaluate the performance of our suppliers and subcontractors according to 5 axes

- | | |
|--------------------------|--|
| ↻ QUALITY | • Quality performance : PPM target |
| ↻ COST | • Search for what is cost necessary |
| ↻ DELIVERY | • Delivery performance |
| ↻ SERVICE | • Reactivity and flexibility |
| | • Technical support |
| ↻ CONTINUOUS IMPROVEMENT | • ISO9001 standard certification or in process |

1.3 Quality audit

Quality audits can be carried out by GRIMONPREZ auditors during the evaluation of a new supplier, the follow-up of a qualified supplier, or in the context of the resolution of a fundamental problem at a supplier.

In all cases, a report written by the person in charge of the audit is sent to the supplier in the form of an audit report.

Deviations or anomalies noted during an audit are the subject of requests for corrective actions attached to the audit report. The supplier must return the answers to the requested actions, with their deadline of application, to the audit manager within the given deadline.

1.4 Access to the facilities

The supplier and its own suppliers must allow free access to the facilities by GRIMONPREZ representatives, GRIMONPREZ customers and official bodies at any time.

During those visits, GRIMONPREZ's representatives shall comply with rules governing industrial confidentiality; similarly, the supplier guarantees to GRIMONPREZ that the documents contractually specified on the orders and attached thereto shall not be disclosed or reproduced without its written authorization.

GRIMONPREZ must be notified in advance of any production operations that the supplier considers confidential; GRIMONPREZ and the supplier will jointly define procedures for such operations.

2 QUALITY MANAGEMENT REQUIREMENTS

2.1 General requirements

The supplier must define and maintain a quality system that is appropriate to its type of business. If it obtains certification for that system, it shall immediately provide the current certifications to GRIMONPREZ.

The supplier must educate its personnel regarding the following:

- Their contribution to the conformity of the product or service
- The need to prevent the use of counterfeit parts
- Their contribution to the product's safety
- The importance of professional ethics
- GRIMONPREZ's requirements, including those of our customers

There must be formal procedures for reviewing the quality assurance system, and its effectiveness must be evaluated and audited on a regular basis.

2.2 Supplier's Responsibility

The supplier is in charge for the conformity of supplies, documents and services, and must take all measures to analyze and reduce the risk of not meeting GRIMONPREZ requirements.

Any supplier using subcontractors assumes full responsibility for the services provided by them (even if defined by GRIMONPREZ or its customers). He will make sure that his subcontractors and suppliers are aware of GRIMONPREZ requirements.

The supplier undertakes to communicate in writing any error or inaccuracy detected in GRIMONPREZ's documentation that may affect the service.

The supplier must inform GRIMONPREZ of any changes in its quality management system, resources and facilities.

REQUIREMENTS TO SUPPLIERS AND SUB-CONTRACTORS

2.2.1 Origin of parts

If it is not the manufacturer, the supplier must, upon delivery, provide evidence of the source of the parts, by attaching a certificate of compliance from the original manufacturer for the lot that was delivered.

2.2.2 Obsolescence management

The supplier must take the necessary steps to reduce the impact of obsolescence at GRIMONPREZ.

If at any time it anticipates permanently shutting down a production line, it must notify GRIMONPREZ one year in advance so that GRIMONPREZ can create a back-up inventory.

It must also identify any materials, processes or products that may become obsolete, so as to reduce the impact of said obsolescence on the products or services it provides.

Upon identifying an instance of obsolescence or potential obsolescence, it must immediately notify GRIMONPREZ to that effect and offer solutions for risk reduction or replacement.

2.2.3 Need to prevent the use of counterfeit parts

The supplier agrees to deliver parts and supplies that are original and not counterfeit. The supplier must guard against using any counterfeit part or material that could affect the deliveries made to GRIMONPREZ. If alerted by GRIMONPREZ, it must be able to demonstrate that it has not been affected by the counterfeiting described in the alert. If it identifies a counterfeit product that has affected its production, it must notify GRIMONPREZ to that effect.

2.2.4 Compliance with deadlines

The supplier agrees to comply with the delivery deadlines and intervals specifically indicated in the order. GRIMONPREZ must be notified in advance of any delay or variance.

In the event of a late delivery, GRIMONPREZ reserves the right to pass on to the supplier all damages or direct or indirect consequences of that late delivery.

2.2.5 Documentation

The supplier must ensure that it is working with the most recent applicable versions of GRIMONPREZ documents and with the appropriate specifications and drawings for fulfilling the order.

It may submit a written request for any additional information that it deems necessary in order to successfully complete its production.

2.2.6 Records

All the Quality records concerning the conformity of production (process parameters, control results, derogations, Initial samples,...) and the traceability of products, must be kept and archived without time limit.

3 PRODUCT & PROCESS QUALIFICATION

3.1 Order confirmation

For every order received from GRIMONPREZ, the supplier agrees to send an order receiving confirmation within 48 hours directly to the purchaser or procurement agent whose contact information is indicated on the order. After 48 hours the order will be considered accepted in full.

3.2 Contract/order review

The supplier must review all orders it receives and resolve anomalies of any kind.

For materials defined in GRIMONPREZ drawings, the supplier must verify that it has all the relevant drawings and specifications in the current version number indicated on the order.

It must also verify that it is able to comply with all of the terms indicated on the order, including special requirements (FAI, measurement readings, conformity of materials and processing, etc.)

The supplier agrees to abide by GRIMONPREZ's General Terms and Conditions of Purchase, which can be found at www.Gear manufacturing & transmission parts.

Any gap between the product requirements, the requirements indicated in the order and the documents provided by GRIMONPREZ must be addressed in a written solution that is accepted by GRIMONPREZ prior to being recorded by the supplier.

REQUIREMENTS TO SUPPLIERS AND SUB-CONTRACTORS

3.3 Initial Samples or FAI Submission - Process Qualification

Initial Samples parts and report must be representative of the production parts process.

A submission must be done in the following cases:

- first production;
- Each time the material, the method or the process are modified;
- After an interruption of production more than 2 years

Please note: The initial supplier order or subcontract work order serves as the initial sample order.

Minimum requirements list

*additional requirements are noticed on the order or the work order.

<u>Minimum requirements</u> *		Forging	Treatment	Machining	Action / Remarque
1	Dimensional report	X		X	Full drawing characteristics for 2 identified parts minimum
2	Material certificat	X			Original steel mill material certificate
3	Heat treatment report : Hardness	X	X		Lab report and statement of conformity.
	Heat treatment report : hardness depths		X		
	Photo(s) of Macro Etched cross sections of the forging showing the grain flow pattern.	X			
	Mat lab report with Microstructure	X	X		
4	Surface lab report		X		Lab report and statement of conformity
5	Process flow chart	X	X	X	Process flow description
6	Control plan	X	X	X	

3.4 Modifications to production processes and facilities

Any change that affects significant operations must be submitted to GRIMONPREZ for its approval before being implemented.

Any such change request must be accompanied by as much information as possible and supporting technical documentation to help GRIMONPREZ assess the change; and must also include any documentation affected by the change (operating lines, procedures, etc.).

The supplier must maintain the traceability to all documents related to the process.

3.5 Tools, resources and materials provided by GRIMONPREZ

GRIMONPREZ may provide tools, production/control resources or materials to the supplier for the purpose of fulfilling the orders.

Throughout the loan period, the supplier must provide for the upkeep and calibration of those tools at its own expense, so as to maintain them in mint condition.

In the event of wear, deterioration or loss of the equipment, the supplier must notify GRIMONPREZ's Purchasing/Procurement Department in writing.

The supplier must have property and general liability insurance coverage.

The supplier must act as necessary to ensure the safety of its facilities, storage areas and logistics resources in order to prevent the risk that the products provided by GRIMONPREZ are used inappropriately.

4 CONTROL OF NON-CONFORMING PRODUCTS

4.1 Treatment of Non-Conformities

The supplier or subcontractor is obliged to notify us of any non-conformity detected by himself.

Identified non-conforming parts must be declared to us and must be returned to us in identified packaging and separated from good parts.

Products rejected on receipt or during use are subject to a non-conformity notification (FNC).

The fact that the proportion of defective products is lower than the level defined in the quality commitment does not prevent the issue of a non-conformity form and its treatment.

The rejected parts by our customers are systematically the subject of a complaint.

The supplier undertakes to provide assistance in resolving the problems created.

4.2 Corrective and preventive action

GRIMONPREZ expects its supplier to do the following, preferably using the 8D method:

- The items or batches considered to be non-conforming must immediately be identified and separated from conforming items until a decision has been made regarding the appropriate corrective action.
- The rejected parts shall either be used in their current condition (under deviation) or repaired, or scrapped.
- As necessary and upon request, the Supplier shall inspect GRIMONPREZ's stock or in process parts.
- The root causes shall be determined, including any root causes related to human factors.
- Corrective and preventive action shall be taken quickly to prevent any occurrence.

4.3 Allocation of the costs of any non-conformity

In the event that non-conformities are detected by GRIMONPREZ or by GRIMONPREZ customer, GRIMONPREZ can recharge financially the supplier by requesting a credit note.

The credit note will reflect the material cost, based on the status of the products that include the non-conforming products, as well as the cost borne by GRIMONPREZ to manage the non-conformity.

4.4 Deviation request

If the supplier find a non-conformity that it seems to be acceptable, GRIMONPREZ may consider this requests for a deviation.

Deviation requests should be submitted in writing to GRIMONPREZ's Quality department.

The supplier may not release the non-conforming product until GRIMONPREZ has given its written consent (by returning the approved deviation request).

A copy of the deviation request shall be attached to the delivery note, and the request number must be added on the certificate of compliance.

A special identification label should be attached to the container, so that the parts delivered under deviation can be identified.

Deviation request approved by GRIMONPREZ does not relieve the supplier of its responsibilities.

5 LOGISTIC REQUIREMENTS

5.1 Traceability - Product Identification

The supplier must maintain the identification of the product configuration in order to identify any deviation between the actual configuration and the approved configuration.

The supplier must to set up a traceability as well upward as downward:

Downward traceability: from a batch of raw material or components, the supplier must be able to identify, isolate and recall the defective products delivered.

Upward traceability: in the case of a GRIMPONPREZ claim, the supplier must be able to identify and isolate all defective or doubtful products from the label number or delivery note transmitted by GRIMPONPREZ, as well as analyze the causes of the non-conformity (process parameter monitoring).

5.2 Preservation of the product

The supplier must maintain the product's compliance during its internal operations and upon delivery to GRIMPONPREZ. That must include identification, handling, packaging, storage and protection of the product.

The supplier must ensure that all steps have been taken to protect the equipment during shipping. Moreover, it must ensure that all packaging complies with GRIMPONPREZ's specifications, if any, so as to guarantee that the delivered products are free of any deterioration, corrosion or other damage.

The products provided and their packaging must be free of impurities and foreign objects (FOD).

For any GRIMPONPREZ products that are subcontracted and with an GRIMPONPREZ identification and traceability label, the supplier must preserve that label on the packaging unit for each batch.

For GRIMPONPREZ products sent by subcontractors and having a GRIMPONPREZ identification and traceability label, the supplier must keep this label on each packaging unit.

Unless otherwise required, the products must be protected from corrosion either by a VCI cover or by temporary protective oil for a period of 3 months under shelter.

A packing instruction will be established if a particular risk is identified between GRIMPONPREZ and the subcontractor.

5.3 Expression of supply needs

We distinguish 2 types of possible orders:

- Multi-frame orders in which we translate our needs in the form of cadence established in time. It is understood that GRIMPONPREZ commits to a firm 3 weeks. Beyond that, it is a provisional schedule. NB: In order for the supplier to adjust to the needs, the list of the last receptions is indicated on the order (reception date, Delivery note and quantity).
- Single orders

In both cases, the date indicated on the order is the date of receipt at GRIMPONPREZ (Take into account the transport time).

5.4 Production control

In the case of multi-schedule orders, the Supplier must control the load/capacity ratio in the short, medium and long term, taking into account its industrial and human resources.

5.5 Meeting deadlines

The supplier must deliver the products or services ordered 100% on time and in the quantity requested.

The supplier must identify the risks of delay as soon as possible and implement a catch-up plan to ensure that the delivery schedule is respected

All consequences of a delay in delivery will be borne directly by the defaulting supplier, including costs incurred by GRIMPONPREZ directly or indirectly.

GRIMPONPREZ reserves the right to refuse an early delivery of more than one week if it has not been negotiated with the supplier.

5.6 Documents - Delivery

In the case of a supplier, each Handling Unit (HU) will be identified by a label containing at least the following information

- The supplier code (defined on the order) and the supplier's contact information
- The GRIMPONPREZ order number
- The GRIMPONPREZ product reference
- The product index
- Quantity of parts in the Handling Unit (HU)
- Gross weight of the Handling Unit (HU)
- The manufacturing traceability and the material heat code number.

In the case of a subcontractor, each Handling Unit (HU) will be identified by the GRIMPONPREZ Manufacturing label. It is imperative that the operation performed by the subcontractor is validated on all the container labels.

As a reminder, the operation number that the subcontractor must perform is indicated on the order. Also the **subcontractor undertakes to fill in the said operation on the OF label** (the subcontractor code or the name of the operator, the validation date and the quantity in the container) **which has the value of validation of the operation.**

The supplier or subcontractor must ensure that the labeling is preserved during transport and storage and legibility is maintained during handling of the Handling Unit (HU).

If the container label is lost or damaged, you must submit a request to the Subcontractor Manager.

Delivery Notes

All shipments must be accompanied by a delivery note with the following information

- The delivery note number
- The supplier code (defined on the order) and the supplier's details
- The order number or GRIMPONPREZ work order
- The GRIMPONPREZ product reference
- The product index
- The quantity of pieces
- The number of HU and their gross weight
- The material head code for suppliers or the work order for subcontractors.

In the case of a non-conformity at a subcontractor, the quantity of parts should be indicated by primary cause (Raw material defect, parts to be scrapped or parts under deviation).

Documents :

Suppliers: provide with each delivery the original steel mill material certificate

Subcontractors concerned by special processes: Provide each delivery with a certificate of conformity

6 ENVIRONMENT, SAFETY AND EXPORTS

6.1 Compliance with REACH

In accordance with the REACH regulation (EC 1907/2006 or subsequent versions), the supplier must notify GRIMONPREZ if any of its products or materials contains more than 0.1% (w/w) of any substance of very high concern (SVHC).

It agrees to provide certificates of its products' compliance with the REACH regulation upon GRIMONPREZ's request.

6.2 Material Safety Data Sheet (MSDS)

For chemicals, the most recent version of the material safety data sheet (MSDS) must be provided with each delivery. All updates to the MSDS must be clearly indicated.

6.3 Conflict minerals

Given its international presence, GRIMONPREZ expects its suppliers to comply with regulations (notably U.S. regulations) for accurately identifying the suppliers of conflict materials (gold, tin, tantalum and tungsten) and to refrain from using materials from countries involved in any conflicts.

6.4 Export restrictions

The supplier must inform GRIMONPREZ if its products or materials are the subject of ECS, EAR/ITAR or similar controls or restrictions regarding their export or final destination, as early as possible in their business relationship and no later than at the time of the order acknowledgment.

7 ETHICS

7.1 Human rights

GRIMONPREZ suppliers must comply with the principles set forth in the Universal Declaration of Human Rights.

7.2 Labor laws

Suppliers must comply with their national legislation on workplace rights, and must abide by the principles deriving from the principal international conventions.