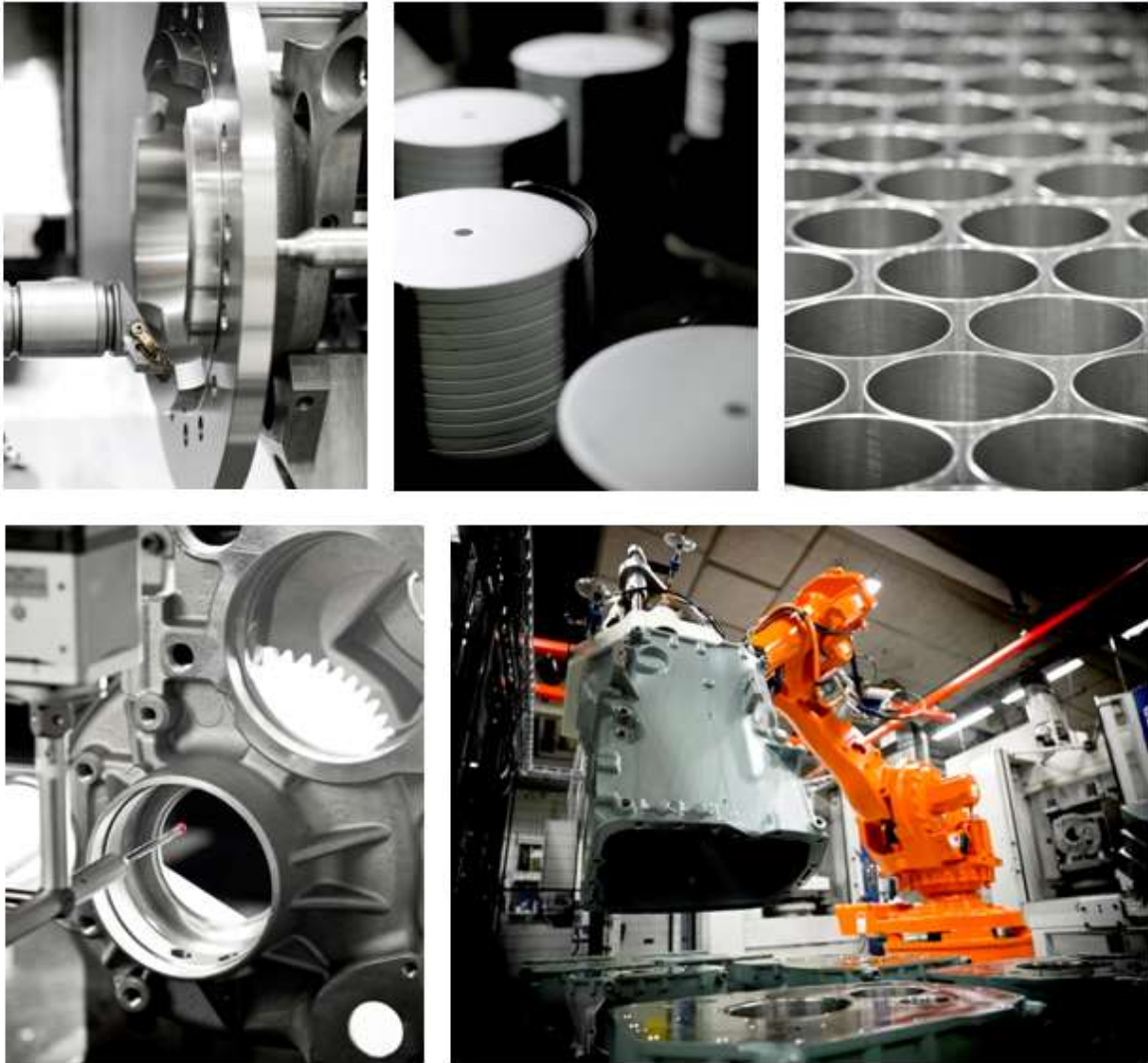




ZamPart

Supplier Requirements



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1 Foreword

This document includes RZ ZamPart (RZ below) supplier requirements and defines the expectations for you as a supplier. Complying with these requirements means delivering in time, to the right quality and maintaining a reliable supply system.

This document is distributed to all key suppliers. It is important to distribute these requirements within your company and throughout the complete supply chain. RZ believes that close cooperation and good communication are mutually beneficial and contributes to a long-term business relationship.

This document is often completed with other contractual agreements. In case of contradictory information, they shall take precedence in following order: 1 RZ Purchase Order, 2 RZ Long Term Agreement, 3 End customer Agreement(s), 4 RZ Non-Disclosure Agreement, 5 These Requirements.

2 Basic Demands

2.1 *Management system*

Suppliers shall have valid management system certifications according to ISO 9001 and ISO 14001 (or equivalent). If certificate status changes or is renewed RZ shall be informed.

Supplier shall work with improvements in all aspects and give proposals when such opportunity exists. This approach shall be used in all activities while working with RZ, throughout the process of quotation, manufacturing, logistics, supply and service.

2.2 *Laws, Policies and Corporate social responsibility (CSR)*

In compliment to demands in agreements and specifications on deliveries, RZ expects the supplier to obey all applicable laws and regulations. Committed crime or breach, or even suspicion of, shall be reported to RZ.

Products delivered and processes at the supplier shall be free of restricted chemicals¹. Possible use of any shall be reported to RZ. REACH and CLP regulation shall be obeyed at the supplier in order to store and handle all chemicals in a good manner.

Demands regarding quality and environment according to 2.1 above are to be followed. RZ also has introduced a Supplier Code of Conduct. It covers a set of principles based on UN's Global Compact and is a separate document to be accepted of you as an approved supplier to RZ.

2.3 *Product or Process qualification*

New or updated products and processes need to be approved by RZ before any activities are started. Normal procedure for qualification is an agreed time plan combined with a product readiness review (PRR) before production start and a first article inspection (FAI) before delivery. FAI is normally 3 pcs

¹ ECHA Candidate List

completely measured and delivered in good time before ordinary shipment. Any other procedure regarding a qualification will be communicated in good time before first delivery.

2.4 *Educated staff*

Staff at the supplier must have an appropriate introduction, training and ongoing education for the job it performs when producing RZ's products or services to RZ.

2.5 *Second party audit*

RZ or a customer to RZ shall have the possibility to conduct a second party audit at the supplier. The terms and date of such an audit shall be planned together to find an appropriate date.

2.6 *Deviations*

RZ intention is to limit the number of interruptions in the daily process. In case of a deviation a SLS-report (Short term and Long term Solution, 8D-report) is used to document and operate the work efficiently regardless of deviation type. When a deviation occurs, the supplier receives an email with the report. All responses regarding an SLS should be sent to **quality@rzg.se** .

Lead-time for SLS-reports (if not noted in SLS-report)

- 24 hours: respond with immediate action (sorting at RZ, next deliveries etc.)
- 48 hours: report short term solution (inspection of storage, information etc.)
- 5 workdays: report root cause (desired method; 5 why)
- 10 workdays: long term solution (corrective action and recurrence prevented).

The parts will be returned to the supplier unless otherwise stated in the report. In case of claims, both quality and purchasing department are involved. Costs relating to the claim and an administrative cost at €100 will be debit the supplier.

Any deviation from specification shall be communicated in writing with RZ prior to delivery. Delivery of material or parts that the supplier considers to be "equivalent" to specification is not allowed to be delivered without approval from RZ.

2.7 *Monitoring and communication*

RZ's target is that the suppliers shall have an excellent performance regarding both delivery time and quality. We want the suppliers to have close contact with RZ. We want to be involved and notified in any case of problems or challenges.

Suppliers will be monitored by RZ and a status report will normally be sent out 4 times per year. Performance and rating will be communicated in that report. An individual "Supplier Target Agreement" stating expected delivery and quality performance will be signed with all key suppliers annually.

2.8 *Insufficient performance and escalation*

RZ regularly and internally evaluates supplier performance. In case of re-occurring deviations, delayed deliveries or insufficient SLS-actions an escalation process will start at RZ.

Step 1: The supplier will be contacted and an investigation is started to enhance the performance. Extra monitoring, improvement plan and/or regular meetings might be implemented.

Step 2: RZ will perform a second-party audit at the supplier. A corrective action plan with defined actions will be set and regular follow up meetings will be implemented.

Step 3: If supplier does not improve performance RZ will start to end business with the supplier. If assigned suppliers are escalated information will be sent to the end customer regarding the supplier's performance.

RZ praxis is to help and educate rather than hinder but this requires open communication. In some cases involvement and approval of RZ's customer will be needed.

3 Automotive Industry Demands

3.1 Management system

Suppliers shall have a valid quality management system certificate according to IATF 16949. If certificate status changes or is renewed RZ shall be informed.

3.2 Advanced Product Quality Planning (APQP)

The supplier shall use APQP for product and process development. The supplier shall provide an APQP time plan that lists all activities the specific part(s). The time plan shall be completed by the supplier and sent to RZ for confirmation before any APQP activities are started. The APQP process with assigned suppliers is handled and confirmed by RZ's customer.

3.3 Production Part Approval Process (PPAP)

PPAP shall be used for the part approval prior to deliveries commence to RZ according to the latest version of the AIAG Production Part Approval Process. What submission level that shall be used will be agreed.

PPAP documentation, supporting data and relevant master samples shall be retained at the supplier. PPAP document, part submission warranty and supporting data as stated in the order or requested by quality department shall be submitted to the quality department when asked for it.

3.4 VW Group Demands

Supplier must have a PSCR (Product Safety & Conformity Representative) appointed. If the PSCR representative is changed, RZ must be informed.

Requirements from the end customer within the VW Group is considered, in all aspects, to be cascaded onto you as a supplier. This is valid also if you are an assigned supplier and negotiates other agreements directly with the VW group or its representatives. This includes (but is not limited to) Formel Q documents, environmental policies, Code of Conduct, sustainability and chemical handling².

² Includes e.g. Scania Black List (STD4158), Scania Grey List (STD4159), Prohibited and restricted substances in Scania Products (STD4400), Environmental and Quality Assurance Demand (Scania STD4230), Scania CoC about Sustainability, IMDS Reporting (Scania STD 4352)

3.5 Volvo Group Demands

Requirements from the end customer within the Volvo Group is considered, in all aspects, to be cascaded onto you as a supplier. This is valid also if you are an assigned supplier and negotiates other agreements directly with the Volvo group or its representatives. This includes (but is not limited to) Key Elements Procedures (KEP), environmental policies, Code of Conduct, sustainability and chemical handling³.

4 Defense Industry Demands

4.1 SAAB Group Demands

Requirements from the end customer within the SAAB Group is considered, in all aspects, to be cascaded onto you as a supplier. This is valid also if you are an assigned supplier and negotiates other agreements directly with the SAAB group or its representatives. This includes (but is not limited to) their environmental policies, Code of Conduct, sustainability and chemical restrictions⁴ as well.

³ Includes e g Volvo Black List, Volvo Grey List, Volvo Red List, Volvos Environmental Requirements (KEP 6), IMDS-reporting

⁴ Includes e g Saab Dynamics List of Hazardous Chemical substances, Saab Dynamics Environmental Requirements