

Supplier Handbook

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Referenzen

- [1] First Article Inspection Process (FAI)
- [2] Supplier Notification Form (SNF)
- [3] Supplier Problem Sheet (SPS)

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1 Introduction

For the permanently increasing requirements of our customers concerning quality and flexibility, competent suppliers are needed. They shall engage themselves beyond basic requirements in order to face with us the challenges of the future.

With partners competent and willing to bring in their product and process specific knowledge towards a two-way benefit, ambitious aims can be reached.

The supplier handbook presents a guideline in partnership between suppliers and COMET.

Based on our...

- Quality and Environmental policy
- Purchasing Policy
- Code of Conduct

... the requirements of COMET guarantee to maintain an efficient product quality.

The quality handbook is a binding document. It is an integral part of the contractual agreement between COMET and the supplier and is already valid in pre-contractual inquiries.

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2 Purchasing and Quality Policy

We aim for long lasting goals in partnership with our suppliers. A permanent improvement of the co-operation concerning the processes and the systems of our suppliers contributes to economic efficiency, reliable delivery service and an improvement of the quality.

Fast changing and growing customer requirements brought to COMET also require highest flexibility and availability of our suppliers to participate in the problem solving process in a creative and speedy way. All deliveries of a supplier shall therefore fulfil all agreed on and legal requirements in a comprehensive way. In order to achieve this “zero error goal” a forceful quality pre-planning and an efficient surveillance of the production run is a must. The emphasis must focus on the avoidance of errors. The suppliers commit themselves to deliver fault free products only.

In common we intend to achieve the following goals:

- Build-up of a long lasting customer and supplier relationship
- Safeguarding the common capacity to compete
- Ideal communication
- Minimization of expenditures for storage and transportation in advantage of both parties
- To establish pre-conditions for the supplier to notice optimal quality responsibility
- Safeguarding the quality prior to series delivery
- Safeguarding and continuous improvement of production quality

3 Requirements for the Management System of the Supplier

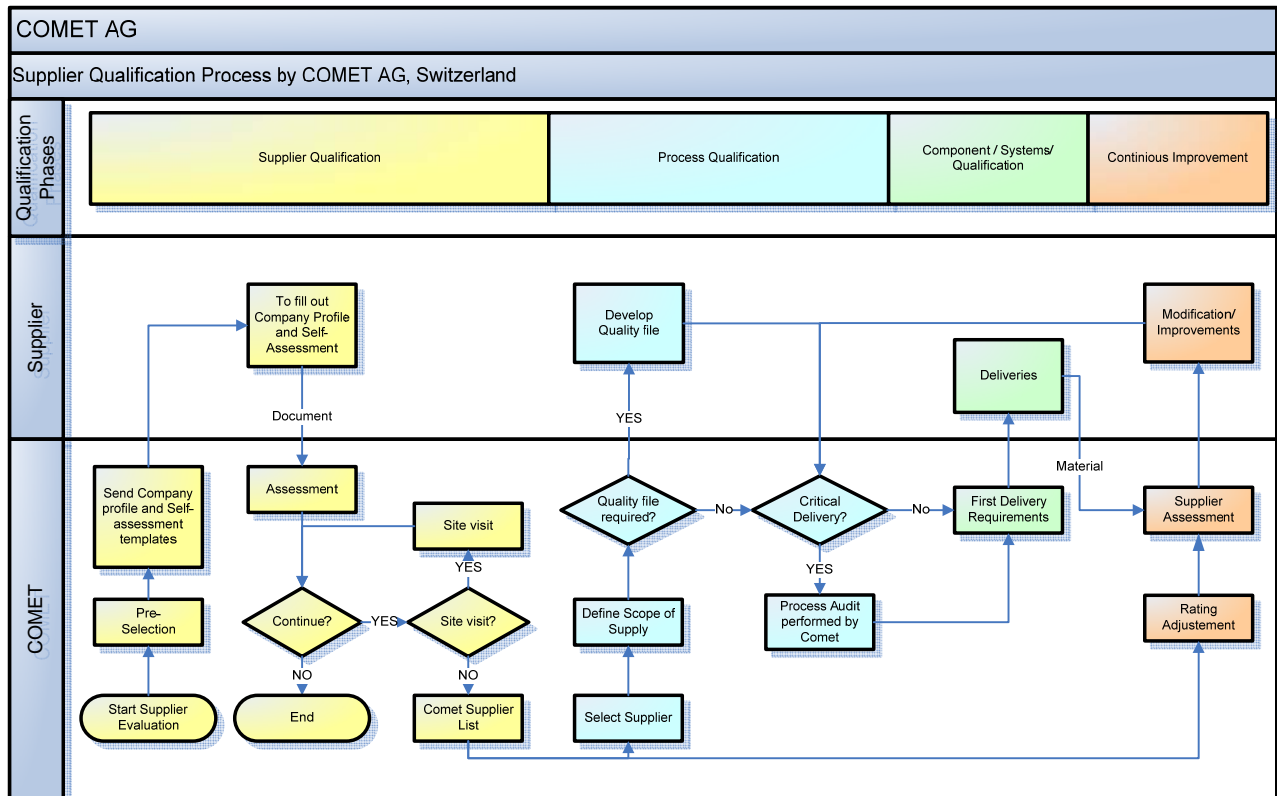
Suppliers commit themselves to build up a quality management system which complies at least with the requirements of DIN ISO EN 9001:2008 and provides evidence by presenting a certificate. In case COMET customers ask for other management systems the differences has to be described in the quality assurance agreement.

Environment-friendly production and environment-friendly products are requirements all of us have to face. Therefore, we recommend to all our suppliers the introduction of an environmental management system according to DIN EN ISO 14001. All legal requirements shall be met.

4 Methods for the Qualification of Suppliers

The table below shows an generic supplier qualification process which leads to the acceptance of a supplier by COMET.

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4.1 Supplier Self Declaration (Supplier Qualification)

New suppliers will be evaluated in two steps. First of all the purchasing department will provide the candidate supplier with a standardized supplier self declaration form in order to gather basic information concerning the following issues:

- Size of enterprise and structure (annual report, scope of products, legal entity ...)
- Technologies and resources
- Quality, Environmental and Safety Management (processes, ...)

Based on the self declaration the purchasing department of COMET will decide on the approach concerning an inspection of the supplier, e.g. a visit to the supplier, et cetera.

4.2 Process Qualification

After successful finalization of the supplier qualification, the purchasing department decides upon a supplier assessment in order to validate the self assessment. After a positive result and in case of critical parts a purchase order for an initial sample inspection will be issued by COMET. Delivery of Products (Sampling Inspection, Serial)

4.3 Delivery of Products (Sampling Inspection, Serial)

After successful first article inspection, clearance for the serial production will be given.

Continuous Improvement

The purchasing department of COMET performs a supplier assessment to assure that the quality requirements are met.

5 Examinations at Supplier by COMET and/or the End User

After advance notification the supplier grants access to the representative of COMET to assess the QM, Environmental and commercial system, of its manufacturing facilities. Access has to be granted to representatives of COMET to business areas involved and relevant documentation. This applies to technical and commercial business areas.

In the same extent and in justified cases the supplier grants access to end customers of COMET to perform assessments concerning the QM, Environmental and commercial system or products and services. The same applies for assessments and approvals by the end user. An in house assessment at supplier premises does not release the supplier of his self responsibility for faultless quality. In return, COMET commits itself to silence towards third parties not to disclose any information received by the supplier. Exceptions to the above are handled in commercial agreements with the end customer of COMET when the supplier is involved in such agreements. The suppliers support COMET in such cases at the best.

Reasons for such an assessment may be in particular:

- Selection / evaluation of new suppliers
- Quality problems during serial production (effective costs will be charged to the supplier)
- Requirements raised by our customers
- COMET internal requirements

The suppliers commit themselves to resolve the non conformances listed in the assessment report in due time.

5.1 Analysis of Potential

For all new suppliers not certified for any ISO certifications by a well-known certification organization, an evaluation of their quality capability will be performed by analysis of potential. The analysis of potential will be performed by the purchasing department at supplier location. If indicated, the development department and the quality department will provide support.

5.2 Classification and Approval of Supplier

Based on the summation of single valuations as the result of an analysis of potential a degree of performance will be calculated in percent. Degradation will be applied in case of partial or non-fulfilment of single valuations.

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The purchasing department of COMET applies the following clearing grades:

- **Unlimited clearance:** Preliminary cleared. Pre-condition is an A or AB grade as well as an action plan giving information concerning a prompt eradication of issues to be corrected and its effectiveness.
- **Clearance with conditions:** Shows the findings of the performed analysis of potential (deviations and risks) having influence to the product or delivery quality. Together with the supplier the purchasing department of COMET defines the required correction measures. The clearance can be given after eradication of all correction measures followed by a new evaluation. Based on this result an A or AB grade may be given.

As a matter of principle a contract to supply may only be concluded with status “Unlimited Clearance”.

5.3 List of approved Suppliers

With the conclusion of a framework agreement the suppliers will be registered in the list “Released Suppliers”.

Pre-conditions are positive visits or assessments results.

Reasons for a comprehensive or partial suspension could be:

- Considerable deviation of aims
- Insufficient realization of system requirements
- Insufficient response time
- Considerable degradation of quality of components
- Failure to comply with COMET requirements, e.g. Copy Exact Rules

5.4 Warranty

The warranty is described in document “Supplier agreement”.

5.5 Continuous Improvement Process (CIP)

COMET expects from its suppliers an active co-operation in regard to a permanent improvement of procedures, processes and products with the aim, to permanently improve the total system. The results of the CIP shall be demonstrated as cost and quality improvement.

CIP measures shall:

- Be checked prior to the accomplishment for relevance and consequences with regard to compliance to Copy Exact Rules. The rules and execution of Copy Exactly will be trained to the by COMET determined suppliers.
- Be supported by the COMET Supplier Development

5.6 Development of Suppliers

COMET feels itself obliged to support their suppliers in developing them following state-of-the-art technology and is ready to provide the necessary information and assistance. It is the intention to exchange knowledge and experience and to clearly define the expectations.

Examples could be:

- Clear definition of specifying documents needed for sampling inspection
- Completion of the quality assessment targets as the baseline for the quality performances.
- Specification of required forms needed for documentation according to instructions
- To inform about the application of the product by training (with the end product)
- Evaluation of performance on a regular basis using additionally selected evaluation criteria
- Quality development discussions on a regular basis as a prerequisite for further improvements. For that reason it is required to benefit from development and process knowledge in order to avoid production of products outside specifications, and
- Risks or deviations shall be recognized in an early state by application of error prevention programs (FMEA, 8D, SPC, et cetera)
- By means of regularly performed supplier assessments the improvements will be supervised

6 Quality Indemnification prior to Serial Production

6.1 General

Development projects shall be planned time wise in connection with the project managers of COMET following the latest end user specifications. The suppliers make available a sufficient number of qualified personnel.

6.1.1 Specifications / Drawings

The suppliers commit themselves:

- To all product, environmental and safety legal requirements,
- To all specifications, contract specifications and standards in the latest version (according to the information on the drawings) to buy and to adhere to
- To request contract specification and to evaluate, to tune and to adhere to the requirements
- To define important criteria, necessary parameter for process capability (if applicable matched with the quality planning of COMET) and to adhere to

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- To point out to missing information (e.g. specifications, standards)
- To point out to discrepancies in the documents at the responsible person in the COMET purchasing department

6.1.2 FMEA

On request by COMET the supplier may be obliged to prepare a Failure Modes and Effects Analysis (FMEA) in order to early identify possible risks with new or modified products or processes to allow the planning of concrete error avoidance provisions. Necessary improvement programs shall be evaluated and their performance coordinated and supervised. All important functional dimensions in COMET drawings shall go through a risk analysis. In such a situation, the review of a group of functional dimensions may be helpful to find error sequences. During the quality pre-planning discussions the system FMEA process has to be presented to the COMET quality department representative. Suppliers assigned with the development of products create a system FMEA. This system FMEA must be coordinated with COMET.

6.1.3 Planning of Tests

For the prototype, pilot lot and serial production phase partial test plans have to be issued. The test plan describes the steering system for components and processes; when and what has to be tested. For each component or component family a test plan has to be issued. A modification during project progress has to be done together with quality planning personnel of COMET.

Normally a test plan covers the following areas:

- Goods inward inspection
- Intermediate tests
- Final tests
- Functional tests
- Product audits
- Re-qualification tests

Characteristics listed in the FMEA recognized as quality relevant and evaluated shall be retrieved in the test plan.

6.1.4 Evidence of Competence

Investigations concerning process excellence provide the basis for evidence of process ability. Such evidence has to be issued at request of COMET. The evidence has to be established at no costs for COMET, to be provided on request and to make available during the serial production as well.

When process ability values will not be achieved, all concerned components have to undergo a 100% test. Results have to be documented.

6.1.5 First Article Inspection / Sample (FAI)

First articles will be requested at the supplier by order. First articles are, as a fundamental principle, to produce under serial production conditions. This means the

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use of tools, equipment and test equipment designated for the serial production. The first article inspection and possible post inspections shall be performed by the supplier according to the contractual agreement.

First Article Submission File defines generic requirements for production part approval, including production and bulk materials.

The purpose of First Article is to determine if all customer engineering design record and specification requirements are properly understood by the organization and that the manufacturing process has the potential to produce product consistently meeting these requirements during an actual production run at the quoted production rate.

The First Articles can solely be supplied to COMET according to this file, as soon as we request you to with our First Article Purchase Order

The guideline “[1] First Article Inspection” describes the handling of first articles between COMET and the supplier in detail.

6.2 Management of Tools

6.2.1 Construction and Make of Tools

The suppliers shall use adequate technical equipment for construction, production and dimensional tests of tools and gages. In case of subcontracting the suppliers shall forward the same requirements to the subcontractors and take responsibility. Tools owned by the customers or COMET shall be marked with type plates easy to recognize. The tools are for exclusive use of the manufacturing of COMET products only. The tools may not be accessible for third parties.

6.2.2 Acceptance and Approval of Tools

The tools will be approved within the First Article Inspection (FAI) procedure. In case of a successful FAI, the related tools will be approved to

The approval of tools may also take place if required by COMET personnel at supplier location.

6.2.3 Administration of Tools

The suppliers shall have a tool administration.

The following criteria shall be included:

- Life history of the tool
- Adequate storage system
- Evidence concerning tool preventive maintenance

Tools designed solely for COMET products and/or paid or partially paid by COMET, are automatically in COMET Ownership. Surveillance for maintenance and costs for Maintenances are in the supplier's responsibility.

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6.2.4 Test Gages / Test Equipment

Test gages and test equipment shall be included in the test equipment surveillance program.

7 Quality Assurance during Serial Production

7.1 Agreement on Performance Figures and Aims

Aims will be defined in the quality assurance agreement (as part of the contractual framework), or in an individual agreement. Together with the suppliers, the aims will be defined by the purchaser and/or the quality manager.

For the evaluation of shipments from the logistic point of view the following aspects shall be taken into account:

- Deviations from the required product quality
- Deviations from logistics requirements
- Miscellaneous (e.g. missing documentation)

7.2 Incoming Quality Control

Independent from the outward inspections to be performed by the suppliers COMET will carry out the following tests (random examination):

- Identity check
- Accompanying documents (drawings, test reports, et cetera)
- Visual test with view to directly recognizable transportation damages
- Quantity check

COMET will evidently recognizable deficiencies report to the suppliers in written form.

Deficiencies not recognized or identified during the goods inward inspection shall, after it became known, be reported to the supplier in an accumulated scrap.

7.3 Customer Complaint Process

In case of complaints the suppliers will be informed by COMET by means of a complaint report (e.g. 8D-report). The suppliers are requested to analyze the error, to define adequate elimination measures, to perform and to supervise.

The relevant statement (e.g. 8D-report) has to be delivered to the complaining party within five working days.

Immediate response:

Requires the analysis of the circumstances a longer period of time or a statement of

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the supplier is required within short because of urgency, the complaining party has to be informed immediately and formless.

7.4 Acceptance of Processes

The quality of product and process quality has to be demonstrated by the suppliers within a series of processes.

8 Modifications & Duty to supply Information

The supplier is obliged to request a change for all kind of changes on the product, process, location etc. The change request must be issued per COMET's "[2] Supplier Notification Form (SNF)". In case any problem on the product, process, and location occurs, the supplier must inform COMET per COMET's "[3] Supplier Problem Sheet (SPS)". The SNF and SPS forms are available for download at COMET's website, www.comet-group.com. COMET on her part checks the modifications planned by the supplier for influence to the intended use and notifies the supplier about the decision in written form.

Examples of modifications could be in the following areas:

- Modification of production processes
- Modification of production parameters
- Modification of tools
- Change of operating resources (chemical composition, safety-DB, et cetera)
- Materials (changes in the material data sheet ...)
- Vendor parts (2nd-source, compatibility,...product approval)
- Change of production locations (change of environment)
- Change of subcontractors
- Modification of processes or installations for the purpose of product testing
- Or of other quality assurance measures

Without written consent of COMET no modification may be introduced. After consent the modifications have to be qualified by the supplier.

FMEA, QM-plan (control plan), part life history, and so on, shall be adapted accordingly after request by COMET. Prior to each modification of above areas and in case of a specific request by COMET, a first article inspection has to be performed.

The coverage of the first article inspection has to be in consent with COMET. The positive notification after first article inspection is deemed to be the modification clearance and finalizes the process. The first delivery of modified components must be announced in writing. Shipment documents and packaging must clearly indicate that the shipment consist of first components after a modification.

9 Documentation

With all products the supplier shall provide documentation according to the table below. At this, all product and process modifications, utilities, tools, et cetera, are documented. The content of the parts life history covers:

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	General docu- mentation	First ar- ticle	Production
Material number COMET	X	x	X
Article description	x	x	X
COMET drawing index	x	x	X
Reason for change	x		
Modification date	x		
Measurement report, optionally SPC after agreement	x	x	X
Declaration of origin	x	x	X
Shipping note		x	X
Declaration of conformity (CE, UL, RoHS, REACH, et cetera) according to agreement	x		

10 Duty to supply Information

In the following situations the duty to supply information is mandatory:

- In case of modification projects → Pt 8.ff
- In case of deviations of quality of manufactured products

By means of additional agreements such as any quality agreements, delivery contracts, et cetera, further information requirements may be agreed upon.

11 Evaluation of Suppliers

The evaluation of suppliers from the view of purchasing is mainly applied to main and strategic suppliers using the following characteristic numbers:

- Analysis of adherence to delivery
- Analysis of complaints records
- Conclusions from supplier assessments

The conclusions from individual analysis serve as decision guidance in case of new contract placing as well as for correction and improvement programs, deviations from aims and comparisons to competitors in this sector.

12 Contractual Agreements

12.1 Purchasing Requirements

For all purchasing processes of production material ordered by COMET purchasing department the purchasing requirements valid at the time of order placement apply. In addition all

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legal regulations valid at this time apply as well. The supplier accepts these regulations with the acceptance of the order in a binding way.

12.2 Contract Review

The supplier, as a specialist in this technical field, checks the documents made available in the tender phase as well as in the contract phase for:

- Completeness
- Accuracy (drawing number / index)
- Freedom of contradictions
- The possibility to keep the conditions
- Feasibility

Immediately after receipt of documents the supplier informs the purchasing department of COMET in writing of any unclear or inaccurate documentation. This includes measuring procedures and methods. When the supplier refers to other documents he is obliged to purchase them. He is also responsible for the application of current document versions.

12.3 Co-operation with COMET AG

By Comet determined suppliers will be faced with specific agreement in order to arrange for the following issues:

- Obligation to maintain confidentiality
- The ownership structure and the obligation to return materials, tools and immaterial property (patents, IT-programs, data, ...)

13 General Requirements at Suppliers

13.1 Technical documents required by Machinery Directive 2006/42/EC

The manufacturer of “**Machinery or partly Completed Machinery**” or his authorised representative shall, before placing in on the European and Swiss market ensure that all requirements listed in Article 5 complies to the European Regulation 2006/42/EC

Machinery (completed)	Partly Completed Machinery
Ensure that the Technical file referred to in Annex VII, part B is available.	Technical file described in Annex VII, part B is available.
Provide , in particular, the necessary information such as instructions (Operation Manual)	Assembly instructions described in Annex VI
Draw up the EC Declaration of conformity in Accordance with Annex II, part 1, Section A and ensure that it accompanies the machinery. Affix the CE marking in accordance with Article 16.	A declaration of Incorporation described in Annex II, part 1, Section B has been drawn up.

13.2 Packaging

Packaging and shipping are carried out in a way that damages of the end products can be eliminated. Special requirements of customers may be taken into account. Environmentally friendly product and transportation packaging should be used when possible.

13.3 ESD-Protection of Electronic Components and Assemblies

Components and products electro statically at risk must be handled during the particular work steps such as storage, mounting, soldering, and assembly in various test processes at an ESD-qualified workplace.

Storage and transportation may only be carried out in specially designed ESD-packaging. The packaging must be marked with the ESD protection mark in order to exclude incorrect handling → see standard series IEC 61340.

13.4 Risk Management (BCP)

The supplier is obliged to inform COMET promptly on becoming aware of difficulties concerning product quality, scheduled delivery date and delivery quantity of ordered products. He is further obliged to disclose the difficulties to the purchasing department of COMET. In order to assure delivery of fault free products in defined quantities on time and according to the specifications, the suppliers undertake preventive measures.

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It is a COMET requirement that the preventive measures shall be laid down in a business continuity plan and be implemented → see document “Business Continuity Plan outline for COMET suppliers”.

Possible examples for such preventive measures are:

- To build up a safety stock
- Alternative production options
- Alternative delivery sources for half-finished products
- Adequate IT-safeguards
-et cetera

13.5 Environment

The suppliers shall assure that all end products, intermediate goods and packaging are in conformity with the legal global requirements. Requirements beyond that shall be specially defined.

The supplier shall recognize the legal global responsibilities applicable in his environment. This may include:

- Legal obligations on regional, national and international levels
- Legal requirements of local administrations

13.6 Occupational Health and Safety

The suppliers are obliged to assure that operating resources, facilities and operating materials are evaluated and professionally maintained according to the occupational health and safety law towards a safe utilization over the whole lifetime. Possible cause of risks shall be gathered and checked for possible improvements. Employees shall be regularly trained concerning occupational safety and health protection.

14 Declaration of Consent by the Supplier

This supplier handbook is part of the contractual relationship between COMET and the supplier where no underwriting of this handbook is required. Receipt of this handbook followed by the acceptance of its content automatically opened a commercial relationship with COMET. It is already valid in the tender stadium.

15 Bibliography

SPS	Supplier Problem Sheet	Download www.comet.ch
SNF	Supplier Notification Sheet	Download www.comet.ch
2006/42/EG	Machinery Directive	http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:157:0024:0086:EN:PDF

16 Abbreviations

AGB	General Terms and Conditions
BCP	Business Continuity Plan
FAI	First Article Inspection
CIP	Continuous Improvement Process
FMEA	Failure Modes and Effects Analysis
SNF	Supplier Notification Form
SPS	Supplier Problem Sheet
8D	8D-report (error prevention program)