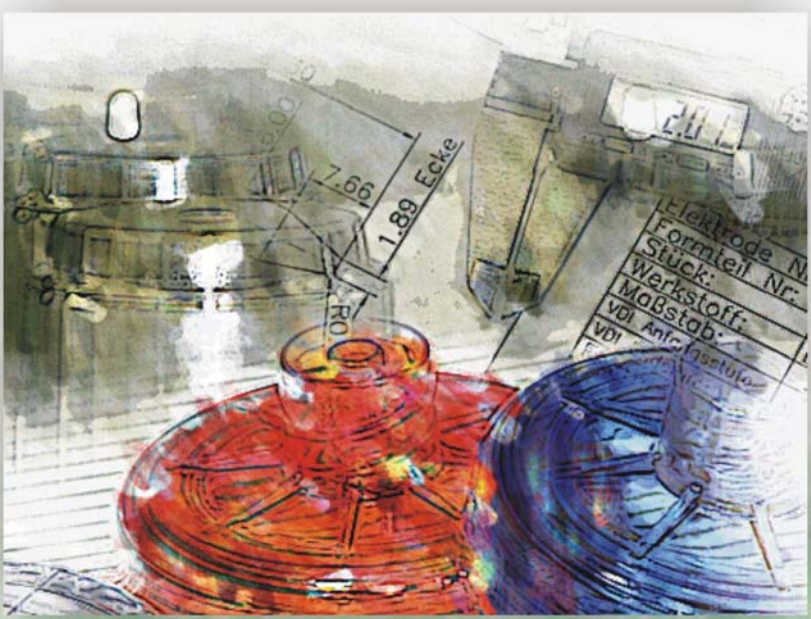




SABEU

**Kunststoffwerk
Northeim GmbH**



Suppliers Manual

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Quality Guidelines for Suppliers of SABEU Kunststoffwerk Northeim GmbH

state: November 1, 2004

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1 Preface

In order to be and stay competitive, absolute attention must be paid to the quality of the products.

As quality is not a technical function or a department, but a systematic process, which concerns the whole company, our suppliers must be involved in our quality policy, too.

Our intention is to achieve and to maintain the full satisfaction of our customers,

This can only be reached by a consequent use of proven tools and methods to achieve quality securing, process securing and process regulation.

This guideline as a basis for our business relations is binding for all suppliers of the SABEU Kunststoffwerk Northeim GmbH and an essential part of our purchasing conditions.

Northeim, November 1, 2004
SABEU Kunststoffwerk Northeim GmbH

Christian Sander-Beuermann
- Managing Director -

Hans Ulrich van Holt
- Managing Director -

Johannes Weiglein
- Head of Central Services Dept. -

Norbert Schulze
- Representative of Quality Management Dept.-



2 Supplier's responsibility for quality

2.1 General Information

The supplier solely is responsible for the quality of the products he delivers and of his services. In order to meet this requirement, it is absolutely necessary that every supplier creates and maintains a well-running quality management system of their own, corresponding to the structure and size of his company.

2.2 Examinations

2.2.1 Manufacturing Supervision

Every supplier is obliged to keep to the specifications and drawings required by SABEU. The supplier is also obliged to control the specifications and drawings and to make sure that the goods are dispatched in a suitable manner, before dispatching the goods or after performing his service to the SABEU Kunststoffwerk Northeim GmbH, respectively. The results of this control have to be documented appropriately and can be filed at the supplier's. On request, they must allow SABEU access to these documents.

2.2.2 Certificates of Control

Every consignment of goods must be accompanied by acceptance control certificates according to DIN EN 10204. The lack of such documents automatically leads to a worse supplier's classification. If SABEU require other control documents, i.e. the proof of a 100 % control, these might be sufficient so that an acceptance control certificate is not necessary. This has to be agreed on in individual cases.

2.2.3 Examination plans

If a product requires particular attention (e.g. safety components etc.) concerning special product characteristics, SABEU reserve the right to draw up individual examination plans. These plans are made by the Quality Management or other responsible department of the SABEU Kunststoffwerk Northeim GmbH and sent to the supplier.

3 Error Prevention

3.1 Conditions

It is our aim to recognize and to eliminate possible sources of faults as early as possible. Thus, even before starting the production preventive measures to avoid errors must be introduced and kept up. During the running production, too, faults which might already have arisen, must be recognized quickly and the necessary steps must be taken to abolish them. Furthermore appropriate measures to avoid repeat errors must be initiated.

3.2 Verification of technical feasibility

Before accepting an order, the supplier has to check, if he is able to supply the requested product in accordance with the specifications and/or drawings handed over or, respectively, to perform the requested service.

The result of this examination must be communicated to SABEU. If there are any doubts about the technical feasibility within the existing possibilities of the supplier, the responsible departments of SABEU co-ordinate a possible audit at the supplier's premises. The results of such an audit are then consulted to come to a decision.

4 Supplier's QM system

4.1 Certification

Due to the certification of the SABEU Kunststoffwerk Northeim GmbH herself, our company strives for co-operation with suppliers, who are also certified according to DIN EN ISO 9001:2000 or, respectively, have built up a QM system on the basis of this standard, which they are putting into practice.

All suppliers who have a certified QM system shall hand out a copy of their certificate to SABEU. When the validity period of that certificate has expired, a new copy of a topical certificate has to be delivered without being asked.

4.2 Audit by SABEU's

Before starting a business relation, the SABEU Kunststoffwerk Northeim GmbH reserve the right to audit the supplier's QM system. This audit is made by the auditors – and maybe further employees - of the SABEU company. The supplier is informed on the results of this audit by means of an audit report. In case of deviations, the audit report will contain a list and time schedule of the measures to be taken. After finishing these measures on schedule the supplier has to return this list to SABEU without being asked.



5 First Procurement and First Samples

5.1 Presentation of First Samples

Before series delivery SABEU may require the presentation of first samples.

This goes especially for

- new suppliers
- change of supplier
- introduction of a new component
- significant modifications of the production process

The presentation of first samples is always required when the products are made by machining or by use of tools, dies etc.

5.2 Drawing-up of a First Samples' Test Report

The first samples presented to SABEU must be accompanied by a First Samples Test Report according to VDA, listing at least all tolerated dimensions indicated in the article drawing. If further dimensions or tests are required, the supplier will be informed accordingly already in advance.

5.3 Keeping of the Date of Samples Presentation

The delivery date confirmed for the presentation of the samples is equivalent to a delivery date for a series delivery. If on presentation of the samples there are still any deviations on the parts, the delivery date for the samples' presentation is regarded as not kept. If the delivery date for the samples' presentation cannot be kept, the Central Services Department must be informed immediately. If there are deviations, a non-conformance permission must be requested additionally.

5.4 Assessment of the First Samples

The first samples presented to SABEU are examined by SABEU with reference to their dimensions and function as well as optically, if they correspond to the specifications. If the result of this examination is positive, the release for series production given to the supplier is marked on the front page of the First Samples Test Report according to VDA.

If, however, there are any deviations, either due to different dimensions in the First Samples Test report, or due to organisational differences in the QM system of the supplier, a new delivery date for the samples' presentation must be suggested to the Central Services Department of SABEU. From this procedure, however, no obligation can be concluded that SABEU must accept the presentation of further samples in any case.



6 Series Consignments

6.1 Conditions

Before starting the series delivery the supplier must have the release for delivery in writing and the instructions imposed as conditions in the First Samples Test Report must be fulfilled. Furthermore, there must not be any deviations in the supplier's QM system, and the measures settled in the audit reports must be worked off.

6.2 Delivery and Marking

The delivery and the marking of the goods must be conform to the SABEU specifications.

As a principle, it goes for products for the medical, biological and laboratory field of production

- that they must be delivered in clean, sturdy packaging
- that the parts have to be packed in double PE bags, the inner bag must be welded, the exterior bag needs only to be overwrapped

It goes for all products

- that they must be delivered in clean, sturdy packaging
- that the production lot number must be marked on all packagings
- that the consignments must be accompanied by the acceptance control certificate 3.1.B. according to DIN EN 10204

6.3 Modifications of the Supplier's Manufacturing Conditions

The SABEU Kunststoffwerk Northeim GmbH must be informed immediately on every change of the manufacturing process, any move of the production location, change of the initial materials or change of formulations etc. In single cases SABEU will decide if a new samples' presentation is required.

7 Supplier's Assessment

7.1 Purpose

The purpose of the suppliers' assessment is to enable us to classify the suppliers from the point of view of quality, delivery dates and prices, in order to guarantee the economical procurement with materials and accessories of good quality and on schedule. The assessment criteria are settled in the proceedings instructions VA/020 "Lieferantenbewertung".



7.2 First Classification of the Suppliers

On the occasion of a first order new suppliers receive the form FO/116 “Lieferantenbefragung – Selbstbewertung” which they are requested to fill in and to return. Afterwards they are classified by the head of the Quality Assurance Department and the Central Services Department according to the following criteria:

- A: when certified according to DIN ISO 9000 ff
- B: when not certified, but most points in the information of the supplier on themselves are regarded as positive
- C: when the supplier did not give any information on themselves or if this information is insufficient

The classification is recorded in the supplier’s register by the head of the QS Department.

7.3 Assessment of Forwarding Agencies

The assessment criteria are the following:

- 1: everything okay – no complaints
- 2: delayed collection/delivery of the goods at the customer’s, but on promised date of delivery and with advance notice
- 3: delayed collection/delivery of the goods at the customer’s next day with advance notice or the same day but without advance notice, packaging damaged on transport etc.
- 4: delayed collection/delivery of the goods at the customer’s with more than one day of delay, irrespective of advance notice or not, goods damaged on transport etc.

7.4 Assessment of Deliveries

The assessment criteria are the following:

7.4.1 Judgement on the Quality of the Delivered Goods and Documents

- 1: everything okay – no complaints
- 2: small defects/faults (deliveries delayed up to 3 days, faulty of lacking documents, packaging defects, etc.)
- 3: medium-sized defects/faults (minor product quality, which is subject to being accepted by special release)
- 4: heavy defects/faults (minor product quality, which causes refusal of the goods)



7.4.2 Too High or Too Small Delivery Quantities

- deviation until $\pm 5\%$ => grade 1 (if quality etc. is impeccable)
- deviation until $\pm 10\%$ => grade 2 (if quality etc. is impeccable)
- higher deviation => grade 3 (if quality etc. is impeccable)

If there are quality defects etc., too, the assessment is made worse by 1 – 2 grades

7.4.3 Postponement of Delivery Schedules Without Advance Notice

The Central Services Department has to be informed immediately on postponements of delivery dates. Otherwise a delivery delayed without advanced notice leads automatically to a marking of this delivery with grade 2, provided that there are no further complaints.

7.5 Evaluation and Classification

7.5.1 Calculation

The total marking is calculated by means of the following formula:

$$\text{total grade} = \frac{\text{number of deliveries}}{\text{total sum of grades}}$$

7.5.2 Classification and Admission of Suppliers

According to the above-mentioned formula all suppliers are re-classified following the marking scheme below:

- between $\geq 1,0$ and $< 1,5$: A
- between $\geq 1,5$ and $< 2,5$: B
- between $\geq 2,5$ and $< 3,5$: C
- $\geq 3,5$ and more : not admitted
(exceptional arrangements are possible if number of deliveries is < 3)

The monthly evaluation is the basis for the orders to be placed in the following month.



8 Confidentiality

Both parties oblige themselves to keep secrecy on the content of this suppliers quality guideline towards third parties. It is not allowed to pass on, to publish or to duplicate these documents or excerpts of them. This suppliers quality guideline has to be returned to the SABEU Kunststoffwerk Northeim GmbH, when the business relation ends. The validity of this confidentiality agreement is extending even beyond termination of the business relation.

9 Acceptance of the Quality Guidelines for Suppliers

We hereby confirm that we have got knowledge of the above-mentioned quality guidelines of the SABEU Kunststoffwerk Northeim GmbH for suppliers and that we accept them as legally binding.

place / date

company stamp / legally binding signature

Please return one copy of this page, filled in and countersigned, to:

SABEU Kunststoffwerk Northeim GmbH
Qualitätsmanagement
Hirschberger Str. 1
37154 Northeim
Germany