

Quality requirements applicable to Suppliers NSE

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1 **PURPOSE**

This document formalises the minimum quality requirements applicable by NSE Suppliers.

2 **SCOPE**

This document applies to all Orders placed by NSE with the Supplier, in order to ensure the conformity of the products delivered and the services entrusted (also called Supplies)

By accepting the Order, the Supplier undertakes to comply with the terms set out in this document and in the said Order, unless otherwise agreed between NSE and the Supplier.

These quality requirements may be supplemented and/or modified by special provisions specified in the Order.

This document is binding. (It is listed in the Order)

3 **QUALITY MANAGEMENT SYSTEM**

Requirement 3.1 - Quality system

The Supplier shall establish, document and maintain at least a quality management system meeting the requirements of ISO 9001 or similar.

NSE reserves the right to audit the supplier's management system. Attestations and certificates justifying the recognition of the supplier's management system must be submitted to NSE's quality department when they are initially obtained and each time they are renewed.

Requirement 3.2 - Organisation

The Supplier must be able to demonstrate the control over processes as well as the conformity of the Supply and the associated documentation

Requirement 3.3 - Visiting rights and access

The Supplier and its own Suppliers shall ensure that representatives of NSE and representatives of official supervisory authorities and bodies, and where applicable representatives of NSE's customer, have free access to the facilities and documents contributing to the performance of the Supply.

These requirements are also applicable, if the Supplier is a reseller or stockist-distributor, to its own Suppliers who carry out the Supply.

4 SUPPLY REQUIREMENT REVIEW

Requirement 4.1 - Supply Requirement Review

The Supplier shall ensure having all the necessary and up-to-date documents for the execution of the Order in accordance with the requirements of the Order.

The Supplier shall be responsible for requesting any additional information considered to be necessary.

The Supplier must check whether it is possible to meet the requirements and must be able to assess the associated risks (deadlines, new technologies, etc.).

The Supplier undertakes to take full responsibility for internal and external processes to ensure compliance with all NSE requirements.

If specified in the requirements, the Supplier shall use NSE's designated External Service Providers (e.g. special processes).

All Orders must be confirmed by acknowledgement of receipt within 7 calendar days. If the Supplier fails to respond, the Order shall be deemed to have been accepted in full.

5 STAFFING REQUIREMENTS

Requirement 5.1 - Staff qualification

The Supplier shall ensure and demonstrate that all activities relating to the execution of the Order are carried out by personnel having the required training and professional expertise.

The Supplier shall identify the key positions for the compliance of the Supply requiring personnel clearance.

The skills of the personnel implementing special processes* (**processes for which post-control does not provide enough guarantees about the compliance of the implementation result*) or performing monitoring and measuring tasks of the Supply, must be demonstrated by initial and continuous training. Their authorisations must be recorded and renewed at regular intervals, based on competence monitoring in the field.

These provisions also apply to operations throughout the Supplier's supply chain.

Requirement 5.2 - Staff awareness

The Supplier shall ensure that staff are made aware of :

- => Their contribution to the conformity of the Supply,
- => The Supply's safety,
- => The importance of ethical behaviour.

6 INDUSTRIAL RISKS

Requirement 6.1 - Industrial risks

The Supplier shall establish and maintain a system for the identification and risk assessment that may disrupt its industrial process.

It must establish and maintain a contingency or business resumption plan to ensure continuity of delivery in the event of a major disaster.

Requirement 6.2 - Major industrial changes

Any major industrial change at the Supplier (ERP change, new process, move, transfer of production, new organisation, receivership) representing a risk for the punctuality, quality, reliability, definition and performance of the Supply, shall be communicated to NSE.

7 SPECIAL PROCESS CONTROL

Requirement 7.1 – Special Process Control

If the Supplier and its supply chain have to use special processes* (**Processes for which the a posteriori control does not give a sufficient guarantee of the conformity of the result of its implementation*) to carry out the Supply, they must ensure, initially and periodically, that the human and material means, as well as the corresponding procedures used for the implementation and qualification of these processes, allow to obtain a repeatable quality.

The qualification file for special processes can be consulted by NSE on request.

The Supplier shall inform NSE of any changes or developments in these processes and of any new/loss of qualification, in relation to the Supplies delivered to NSE.

In the event of specific customer or regulatory requirements, these shall be specified on the NSE Order, and the Supplier shall comply with them.

8 TOOLING MANAGEMENT AND MEASURING AND TESTING EQUIPMENT CONTROL

Requirement 8.1 - Tooling management and measuring and test equipment control

The Supplier maintains the means used (machines, tools, etc.) during the entire period of performance of the Order. These means must be identified. The Supplier ensures that all maintenance, verification and calibration operations are carried out and traced, and that the safety aspect is regularly checked

The Supplier shall control the recording, verification and maintenance in operational condition of its control, measurement and testing equipment.

The Supplier must ensure that the equipment is used within its validity period.

Records of verification, calibration and maintenance operations shall be retained by the Supplier and must be presented upon request for NSE.

In the event of a deviation found (example : means out of tolerance) the Supplier shall make the analysis of the impact on the affected Supplies previously manufactured, with communication to NSE if impact on compliance.

If the Supplier is a distributor, it is responsible for passing on these provisions to the Supplier who carries out the manufacture.

9 FOREIGN BODY DETECTION (FOD)

Requirement 9.1 - Foreign Body Detection (FOD)

The Supplier shall implement the necessary awareness to manage and eliminate any unwanted objects or particles (FOD) that may cause performance impairment on the Supply. (E.g. dust, chippings, packaging particles, etc.)

10 COUNTERFEIT GOODS

Requirement 10.1 - Counterfeit goods

The Supplier shall take the necessary steps to prevent the use or distribution of counterfeit or suspected counterfeit parts.

These provisions include :

- Stakeholder awareness,
- Supply management,
- Traceability, control,
- Obsolescence management,
- Product identification and isolation,
- Information to the client and supervisory bodies.

11 CONFIGURATION MANAGEMENT

Requirement 11.1 - Configuration Management

The Supplier has a configuration management system describing the items managed in configuration and the principles adopted for their evolution.

Configuration management consists of managing the technical description of a Supply and its various components, as well as all the changes made during the Supply's evolution.

12 PRODUCTION PROCESS VALIDATION - REVIEW 1

Requirement 12.1 - Production process validation - 1st article review

In the case of Supplies subject to a 1st Article Review, this requirement is indicated in the Order.

This 1st Article Review must be carried out and formalised on a Supply of the first manufacture. This is to check that the processes, design and manufacturing records, controls, tooling and supply chain allow for this :

- To produce in accordance with the specified requirements and the particular requirements of the customer or end user,
- Ensuring the repeatability of the manufacturing process.

The Supplier shall comply with the principles described in EN 9102 and provide the FAI file to NSE (identifying at delivery, the FAI supporting Supply)

The Supplier shall be responsible for carrying out a new full or partial Item Review on his own initiative for these Supplies and shall inform NSE of this in the following cases :

- Change in the means used ;
- Supplier change in the supply chain ;
- Production interrupted for 24 months or more ;
- Element change, revision index change ;

If the 1st Article Review is not requested in the Order, evidence of the review shall be retained by the Supplier and presented to NSE on request.

13 PRODUCT IDENTIFICATION, TRACEABILITY AND PRESERVATION

Requirement 13.1 Identification and Traceability

The Supplier shall ensure the traceability of the Supply throughout the production process (from raw material to delivery of the Supply). The Supplier shall ensure upward and downward traceability.

This traceability requirement is also applicable to resellers or stockist-distributors, as well as to their own Suppliers who manufacture the Supply.

In the case of specific traceability requirements applicable by the Supplier, these shall be specified in the Order.

Requirement 13.2 Supply Delivery

Delivery of the Deliverables must meet the requirements listed in the Purchase Order to be complete.

Any delivery of a Deliverable must be accompanied, at the very least, by :

- the Declaration of Conformity required by the regulations in force (in particular standard NF L00-015 or NF EN ISO/CEI 17050-1 and 17050 or EN10204 or equivalent).
- the delivery note affixed to the outside of the package, with a copy of the note inside the package, containing the following information :
 - ✓ Purchase Order Reference (number and date of the Purchase Order),
 - ✓ NSE's reference and the Supplier's reference,
 - ✓ Designation of the Deliverables,
 - ✓ Quantity delivered and/or gross or net weight,
 - ✓ Serial number and/or production batch number of the Deliverables supplied,

- ✓ Detail of the returnable or invoiced packaging with details of the price and quantities,
- ✓ Number of packages comprising the delivery,
- ✓ Transporter (company name, contact details, contact person),
- ✓ Address of the place of delivery indicated on the Purchase Order,
- ✓ Storage conditions,
- ✓ Any other information specified in the Purchase Order,
- ✓ The reference of the non-conformity if it is a re-delivery
- ✓ The number(s) of any derogations

Unless otherwise provided for in the Order, delivery of the Supply shall be by DDP (Delivered Duty Paid) " Address of NSE to deliver " (International Chamber of Commerce Incoterms 2020).

NSE reserves the right to refuse and return or keep on-site, at the expense and risk of the Supplier, any Deliverable that has not been the subject of a Purchase Order or a modification accepted by NSE (early delivery, excess quantity).

Requirement 13.3 - Product preservation - Handling storage packaging and delivery

The Supplier is responsible for packaging to ensure that the parts are protected from any source of damage. The Supplier shall be liable for any damage, shortages or breakage caused by inadequate packaging.

The Supplier shall comply with the recommendations made by the Manufacturers to preserve the products from deterioration (in particular the temperature and humidity conditions, etc.) for both transport and storage.

In the event that packing and packaging specifications are stipulated on the Order, these shall be complied with.

14 LEGAL AND REGULATORY REQUIREMENTS

Requirement 14.1 - Legal and Regulatory Requirements

The Supplier shall be responsible for identifying and applying any established and applicable (national, European or international) regulatory or legal requirements. In particular in the area of :

- Security ;
- Environment ;
- REACH - "Registration Evaluation and Authorisation of Chemicals";
- RoHS - European Restriction of Hazardous Substances Directive (electrical, electronic and optronic) ;
- Air, sea and road transport ;
- Work ;
- Customs ;
- Export Control / " dual purpose ;
- Mineral conflicts ;

REACH

The Supplier shall inform NSE if any of its products or materials contain more than 0.1% weight for weight of any of the substances of very high concern (SVHC) according to REACH Regulation EC 1907/2006. This list is available at <http://echa.europa.eu/web/guest/candidate-list-table>.

The Supplier undertakes, upon request from NSE, to provide certificates guaranteeing the REACH compliance of its products. The Supplier shall ensure that its own Suppliers also comply with the REACH regulation.

RoHS

The Supplier shall inform NSE of the compliance or non-compliance of the products supplied with the EU Directive 2011/65/EU on the restriction of hazardous substances in electrical and electronic equipment. The Supplier undertakes, upon request from NSE, to provide certificates guaranteeing the RoHS compliance of its products.

Export Control

The Supplier shall inform NSE when any of its products or materials are subject to ITAR, ML-US or DU-US export and final destination controls.

The Supplier shall inform NSE of any restrictions and constraints on the export of products and/or components.

The Supplier is aware of and accepts the regulatory requirements applicable to it regarding products and technologies, whether of American origin (EAR Regulation), European origin (EC Regulation No. 428/2009 or of any other country). This includes, but is not limited to :

- The Supplier's obligation to ensure the application of these regulations regarding the components and materials delivered to NSE
- The obligation to provide NSE with an Export Control Certificate (ECC) where applicable

Mineral Conflict

The Supplier undertakes to supply only products that comply with the Conflict Minerals Regulation (Dodd-Frank Act, section 1502) concerning the supply of tantalum, tin, tungsten and gold from mines in the Democratic Republic of Congo and neighbouring states.

15 NON-COMPLIANCE AND EXEMPTION MANAGEMENT

Requirement 15.1 - Non compliance management

Each non-compliance detected by NSE shall be communicated to the Supplier by means of a document formalising the deviations observed.

The Supplier undertakes to communicate the results of this analysis and the corresponding action plans to NSE within the agreed timeframe

In the event that the Supply is returned to the Supplier for reconditioning, the Supplier shall :

- Indicate to NSE the date of delivery of the Compliant Supply,
- Indicate the number of the Order and the NSE non-compliance document on its delivery note.
- Attach the completed NSE non-compliance document with the results of its analysis and the corresponding action plans to the delivery.

The Supplier undertakes to notify NSE (in writing) about any anomaly and/or non-conformity discovered after delivery, or occurring during the course of delivery and likely to affect products of the same type delivered earlier.

Requirement 15.2 - Exemptions

At the Supplier's, non-compliances detected during the manufacturing process or during the final inspection before delivery, can be submitted to NSE. The Supplier must then submit a request for exemption **before delivery.**

If the exemption is accepted by NSE ;

- The Supplier must indicate this on the delivery note and the Declaration of Conformity,
- A copy of the accepted exemption shall be attached by the Supplier to each delivery of the Supplies concerned.

16 SUPPLIER PERFORMANCE MEASUREMENT

Requirement 16.1 - Supplier performance measurement

All Suppliers are subject to an evaluation based on their "Quality and Delivery" performance. Depending on the results of this assessment, a communication may be made by NSE to the Supplier with a request for analysis and implementation of action plans.

17 CONTINUOUS IMPROVEMENT

Requirement 17.1 - Continuous Improvement

The Supplier implements and maintains a "continuous improvement" process based on recognised methodologies (PDCA, etc.) and to achieve the performance objectives (punctuality, quality, cycle, costs).

18 STANDARDS WATCH

Requirement 18.1 - Standards watch

The Supplier shall be responsible for obtaining all the elements of the definition and the standards called for in the Purchase Orders.

If the Supplier proposes different standards to those specified by NSE, their equivalence must be demonstrated by the Supplier and approved by NSE.

19 FILING**Requirement 19.1 - Filing**

The Supplier and its own Suppliers are required to keep records of : of product conformity, requirements called for in the Order and manufacturing history (material certificate, processing certificate, inspection report, test reports, expert reports, non-conformity reports, release documents, manufacturing orders, follow-up sheets, manufacturing file, qualification of production means, processes and staff, FAI, etc.)

The minimum archiving period is 10 years from the date of delivery of the products to NSE.

Upon specific request of the customer, a longer archiving period may be requested on the Order.

The Supplier is responsible for archiving the quality records. The documents archived by the Supplier must at all times be available for consultation by NSE or its customers.

Upon request, the Supplier shall be able to provide these documents to NSE within 48 hours.

The storage environment and media used must ensure the preservation, controlled access and readability of the data for the duration of the archive.

20 CORPORATE SOCIAL RESPONSIBILITY (CSR)**Requirement 20.1 - Corporate Social Responsibility**

NSE is committed to a CSR approach including a responsible purchasing policy to meet the challenges of sustainable development (social, societal and environmental) of its activities and services. NSE aims to rely on Suppliers who adhere to and commit themselves to this approach.

NSE expects its Suppliers (apart from the quality of products and services) to take into account environmental, social and societal issues in their activities and to respect the regulations in force.

In this context, NSE may request evidence of CSR and compliance with applicable regulations.