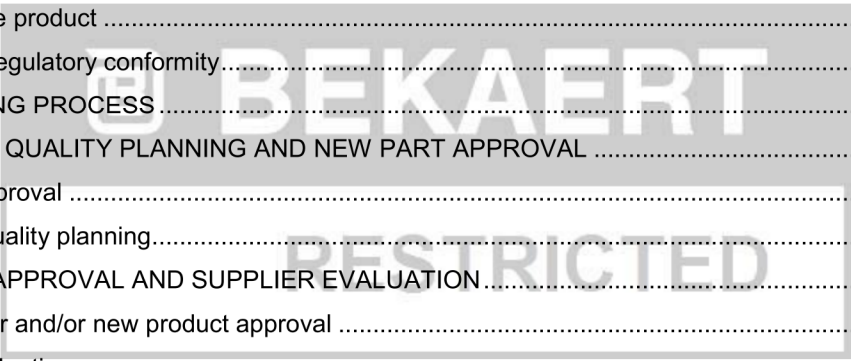


<b>SUPPLIER REQUIREMENT MANUAL</b>	SP-Q-31101-BCQA
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## 1 PURPOSE OF THE PROCEDURE

This is the most recent version of the “Supplier Requirement Manual” which outlines the minimum quality requirements by the Bekaert Group (composed of NV Bekaert and its affiliates) towards its suppliers. Where applicable, this manual outlines the minimum practices that must effectively be implemented at your facilities. These are the Customer Specific Requirements from Bekaert. .

This manual is subject to changing requirements as part of our continuous improvement cycle.

This manual is an essential tool in assuring the quality of (1) Bekaert’s sourcing activities, of products and services, (2) its subcontracting, sale and repurchase activities (“Trading Activities”) and (3) of the purchased goods (wire rod and critical auxiliaries).

The most important requirements are clearly defined and explained, aiming at creating a fully transparent communication between Bekaert and its supplier. It is subject to evaluation, updating and continuous improvement.

The contents are based on the current international standards for quality, environmental, health and safety management, DIN EN ISO 9001, ISO/TS 16949, ISO 14001 and OHSAS 18001 and the requirements of the “Bekaert Group”.

At Bekaert, we attach great importance to working closely with our customers and suppliers, starting as early as the first concept, in order to achieve optimal product design, performance and cost objectives.

Our suppliers are fully and solely responsible for the best quality of the supplied goods and must at all times fulfil all relevant standards and specifications. They comply with laws and regulations in both the country of origin and the country of destination.

M. Taylor  
Chief Executive Officer

T. Geurts  
Chief Purchasing Officer

K. Gregoir  
Global SH&E Manager

P. De Geyter  
Global Quality Manager CQA  
Head of central quality assurance

## 2 MOTIVATION FOR CHANGE

Complete revision

## 3 SCOPE

All wire rod and critical auxiliaries and trading/sourcing activities

## 4 DEFINITIONS/ABBREVIATIONS

See chapter 6.11

## 5 SUMMARY OF RESPONSIBILITIES

- Purchasing department
- Central Quality Assurance department
- Safety, Health and Environmental department

## 6 SUPPLIER REQUIREMENTS

### 6.1 GENERAL INFORMATION

#### 6.1.1 Certification

The Bekaert Group is certified ISO 9001 and ISO 14001, some divisions ISO/TS 16949 and OHSAS 18001. For Wire Rod suppliers and suppliers of critical auxiliaries, the following applies:

Minimal certification required from suppliers: **ISO 9001** by an accredited third-party certification body. Suppliers shall provide their valid quality management certificates to Bekaert.

In the absence of certification, the minimum requirement is that the supplier has established a satisfactory action plan to acquire certification or to comply\* with ISO 9001 standard. In the absence of certification, auditors of Bekaert may audit the supplier to check if the working methods of the supplier comply with ISO 9001.

\*Action plan to reach certification or compliance within a timeframe of 1 year.

#### 6.1.2 Control of records

Suppliers are required to maintain their records according to the applicable regulatory requirements. Suppliers are not to implement a change to a product, or to the process to produce a product without first receiving written authorization from Bekaert. If the supplier desires to implement a product and/or process change, the supplier must submit a supplier change request.

#### 6.1.3 Quality of the product

The suppliers are fully and solely responsible for the quality of the delivered products and services, including any sub-contracted services and for sub-suppliers to the Bekaert Group, in accordance with the Bekaert specifications when applicable.

Bekaert or an independent third party is at any time entitled to inspect the production facilities of the suppliers. In no event shall such inspection, or any suggestions provided by Bekaert diminish the liability of the suppliers for its products. The Bekaert Group may, but has no obligation to control incoming material through sampling or otherwise. Any acceptance (e.g. of initial samples) does not affect the right of Bekaert to declare a shipment as non-conforming if during serial production a non-conformance arises. Serial production means all deliveries after the approval of initial samples.

#### 6.1.4 Legal and Regulatory conformity

Suppliers must at all times supply products that comply with all applicable governmental and safety requirements on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic requirements applicable to the country of manufacture and country of destination .

Suppliers must add SDS for the first delivery and every time a change occurs and according to regulatory requirements (not for wire rod).

Suppliers might receive instructions for submitting reports on the IMDS site if applicable: [www.mdssystem.com](http://www.mdssystem.com).

#### 6.1.5. Incoming product quality

Bekaert suppliers are responsible for the control and continuous improvement efforts of their suppliers. Bekaert suppliers shall also require their suppliers of production goods and services to conform to the requirements specified herein. They must implement and document appropriate controls. Suppliers to Bekaert must select their suppliers based on Bekaert's expectations of zero defects, and on their capability to continually maintain robust processes throughout the life of the product.

#### 6.1.6. Conformity with Bekaert Supplier Code of Conduct

All suppliers (including its affiliates) shall adhere to the provisions of the Bekaert Supplier Code of Conduct by signing and returning the compliance form to Bekaert.

## 6.2 PURCHASING PROCESS

Bekaert considers its vendors as Business Partners and is committed to conduct its business affairs in a fair and ethical manner, which promotes open and fair competition, in the best interests of Bekaert and its Business Partners”

Bekaert believes that supply chain is a key contributor in the development and implementation of its Corporate Social Responsibility Programme, and expects its Business Partners to show concern for social and environmental responsibility as they conduct their business.

Bekaert's endeavour is to work jointly with Partners to promote and encourage compliance with the following guidelines.

Bekaert Supplier Code of Conduct Compliance: Business Partners are expected to

- comply with Bekaert's Supplier Code of Conduct and integrate environmental, occupational health and safety, and human rights and labour policies into their business and decision-making processes to ensure their operations and the products supplied to Bekaert comply with all national and other applicable laws and regulations.

### 6.3 ADVANCED QUALITY PLANNING AND NEW PART APPROVAL

#### 6.3.1 New part approval

If applicable and agreed with Bekaert (in case of automotive end products; initiative will be taken by Bekaert), both wire rod and auxiliaries can be submitted to PPAP (Production Part Approval Process)

The supplier will be informed by Bekaert in case he needs to submit a PPAP, in line with the requirements from Bekaert customers (when applicable).

First samples delivery – PPAP.

The supplier shall submit samples and documentation for approval in the following cases (all the below procedures have to be approved by an authorized person in writing within Bekaert before starting):

- New supplier or new product
- Engineering changes
- Change in production procedures or manufacturing site
- New manufacturing equipment

All requirements in drawing or by specification form, approved by an authorized person within Bekaert, have to be met.

The supplier shall examine all the information included in the documents received from Bekaert and will notify Bekaert immediately in writing of any possible inaccuracy, error or omission. If necessary and without any additional compensation, the most suitable corrections will be proposed by the Supplier.

By supplying a new part, the supplier acknowledges receipt and understanding of all data and specifications to fulfil the purchase order requirements.

When suppliers cannot meet the specifications, they will immediately contact the Bekaert purchasing department.

Initial samples: the supplier shall submit initial samples from serial production tooling and stable production procedures. It is the supplier's responsibility to ensure that the parts meet all drawing and material specifications prior to submission. Samples that do not comply with the requirements of Bekaert will be rejected.

Each exception or deviation from the specifications or other requirements of Bekaert, as originally transmitted, needs prior written approval from an authorized person (Quality dept.) in Bekaert. Initial submission of samples and, if applicable, PPAP file (PSW, Dimensional report, SPC report, COA, R&R and Control Plan) will be sent to the respective Quality department.

The supplier must guarantee their products will be in compliance with approved samples, with no deviation.

Only products, articles, parts and services officially approved, according to the procedure set forth in the quality system by Bekaert, can be supplied.

### 6.3.2 Advanced quality planning

Bekaert encourages all suppliers to work according to the Advanced (Product) Quality Planning with the following tools:

- PFMEA
- Control plan
- Process flow chart
- SPC
- Process instruction
- MSA

If agreed with the Bekaert Group, requested information/documents from the suppliers are: control plan, PFMEA, process flow, certificates, contingency plan, MSA and approved specifications. Bekaert will support the supplier by discussing this information during technical meetings if necessary.

## 6.4 SUPPLIER APPROVAL AND SUPPLIER EVALUATION

### 6.4.1 New Supplier and/or new product approval

The approval procedure includes the following steps:

- On request, the suppliers must complete the supplier self-audit or Bekaert or an independent third party will conduct an audit.
- All suppliers of Bekaert are compliant with at least ISO 9001. They are certified or in the process of certification: see Chapter 6, point 6.1.1.
- All suppliers' systems have to pass successfully the approval procedure.
- All suppliers' products have to pass successfully the approval procedure (according to approval procedure of the concerned activity platform within Bekaert).
- All suppliers adhere to the Bekaert Supplier Code of Conduct

### 6.4.2 Supplier evaluation

Regularly, an evaluation will be done for each supplier based on the Bekaert supplier evaluation method.

## 6.5 SERIAL PRODUCTION - SHIPPING DOCUMENTATION AND PRODUCT LABELING

The supplier will confirm the receipt of an order – the supplier shall execute such order and comply with all requirements of such order.

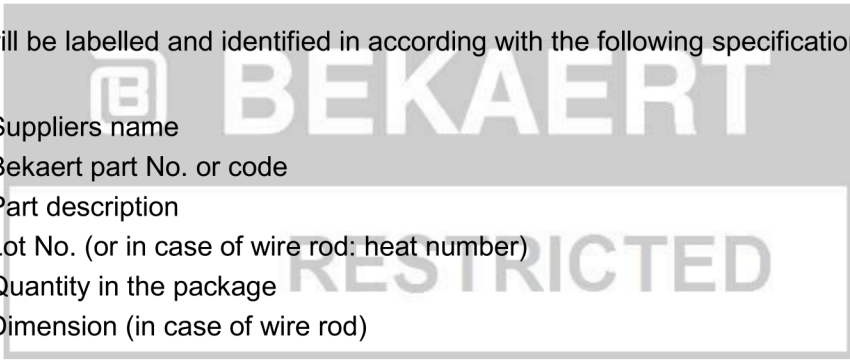
Each shipment is to be accompanied by a packing list / bill of loading that clearly identifies the following data:

- Supplier name
- Date of shipment
- Packing list No.
- Purchase order No.
- Bekaert Part No.
- Part description as stated in the Purchase Order
- Quantity shipped
- Lot numbers of delivered goods

Other documentation needed:

- COA of material
- CMR incl. gate number for delivery at Bekaert if applicable (per truck) or airway bill
- Other requested documents

Each packing unit will be labelled and identified in according with the following specifications:

- 
- Suppliers name
  - Bekaert part No. or code
  - Part description
  - Lot No. (or in case of wire rod: heat number)
  - Quantity in the package
  - Dimension (in case of wire rod)

## 6.6 IDENTIFICATION & TRACEABILITY

Identification of products (cavity no., catalogue no., etc.) will be defined in coordination with the Bekaert Purchasing and Quality department.

For lot traceability, Bekaert requires that the supplier establishes and maintains procedures for identification of the production lots from receipt of raw material through production, shipment and supplying of final product.

The lot traceability system must permit isolation of products and a report of all data concerning lot production (materials, production and control).

Bekaert expects the supplier to provide lot traceability data on request, based on data that identifies the shipment.

All products inspection results have to be kept by the supplier for the appropriate time applicable in the country or market.

## 6.7 NON-CONFORMITIES

It is the policy of Bekaert not to accept products that do not meet the requirements of the Bekaert drawings and specifications. All supplier non-conformities (quality, delivery, logistics, design, paperwork, etc.) will be formally documented and sent by Bekaert to the supplier.

The supplier is required – within 48 hours of receipt of the official complaint – to acknowledge the receipt of the complaint and, if applicable and on request of Bekaert, to submit an initial answer including an action plan regarding the inventories of lot-related products at his site and at Bekaert's site ("immediate actions" part of the 8D)

On the official Bekaert complaint form, the supplier will be required to define the status (rework; scrap) of the non-conform product processing.

Within 20 working days of receipt of the report - the supplier will submit an action plan including:

- Root cause of non-conformance
- Corrective actions taken with completion dates
- Preventive actions implemented
- Verification / effectiveness of the above

In the event the supplier is unable to meet the quality, delivery, specification, drawing, etc., he may request a deviation approval. The supplier's request for deviation must be submitted to the Purchasing department, where the conditions for approval have to be discussed with the Quality department. The Quality department reserves the right to deny the deviation request.

## 6.8 CONTINGENCY PLANS

The supplier shall prepare contingency plans to satisfy Bekaert requirements in the event of an emergency such as utility interruptions, labour shortages and key equipment failure etc. When the supplier knows in advance of an impending production interruption, the supplier shall notify all Bekaert receiving sites and the Bekaert Buyer at least 23 hours, if possible, before that interruption. The nature of the problem shall be communicated with the immediate actions taken to assure supply of products. Production interruptions may include (but are not limited to) natural disaster, political unrest, war, capacity issues, quality issues, labor strikes or other events that prevent the supplier from meeting the specified capacity volumes or from performing/submitting any APQP event or task that would impact program launch or timing (example : PPAP). The supplier is required to advise Bekaert of the plan for recovery and work toward minimizing its effect on the Bekaert plant. Upon request, the supplier shall provide their contingency plants to Bekaert.

## 6.9 CONTINUOUS IMPROVEMENT

The supplier shall continually improve quality, delivery, cost, and other services provided. Examples include First Time Quality (FTQ), On-Time Delivery Percentage, Responsiveness etc. To aid in fulfilment of this requirement the supplier's organisation shall establish, monitor, prioritize, and act upon key performance objectives and targets. The objectives and targets should be established based upon (at a minimum) business plans, management systems, product quality, process capability, and customer satisfaction goals. It should be



noted that actions taken to regain previously sustained levels of performance are corrective actions, not continuous improvement.

Bekaert reserves the right to visit any supplier site to assess its continuous improvement programs and lean manufacturing practices, and make recommendations for improvement. In addition, Bekaert may deploy personnel to focus on a specific improvement issue.

#### 6.10 RESPONSIBILITY OF BEKAERT GROUP

- Bekaert will provide all product specifications.

Bekaert Approved Agreements:

- The Bekaert Group will support the supplier during the development and manufacturing stage if agreed in writing during the negotiation stage. To this end, Joint development agreement or co-manufacturing agreements preceded by non-disclosure agreements, as applicable, shall be entered into.
- The Bekaert Group will supply non-binding forecasts for production and orders for delivery if and when agreed at the negotiation stage.

#### 6.11 DEFINITIONS

Abbreviations	Definition
ISO 9001	Standard for Quality Management System
ISO 14001	Standard for Environmental Management System
OHSAS 18001	Standard for Occupational Health, Safety Management System
ISO/TS 16949	Technical Specification for the Automotive Industry based on ISO 9001
SDS	Safety Data sheet
IMDS	International Material Data System
PPAP	Production Part Approval Process
PSW	Product Submission Warrant
SPC	Statistical Process Control
COA	Certificate of Approval
R&R	Repeatability and Reproducibility
Control Plan	Contains tests during all step of production including frequency
PFMEA	Process Failure Mode and Effect Analysis
Process flow chart	Describes the manufacturing flow of a certain

	product
Contingency plan	Describes the actions in case of force majeure
Specification	Describes the requirements of product, packaging, delivery, ...
CMR	Convention on the Contract for the International Carriage of Goods by Road
8D	8 Discipline- Complaint sequence flow with 8 steps, used as structured approach for complaint handling
Critical auxiliaries	Critical auxiliaries that have substantial impact on the final properties of the finished product

## 7 CORRECTIVE ACTIONS

N/A

## 8 REFERENCES/ANNEX

SP-Q-31101-F01-BCQA: Supplier requirement manual agreement form

