

1. GENERAL INFORMATION

1.1 Acceptance of requirements applicable to suppliers

This document sets out the quality requirements applicable to suppliers of companies of the Business Unit Metal Solutions of the KEP Technologies Group supplementing the group's "General Terms and Conditions of Purchase" **FORM GRP 0026** and our "Code of Ethics" - **CODE OF ETHICS MS**.

It applies to the orders and contracts signed by KEP Technologies which refer to this document. By acceptance of the contract or order, the Supplier undertakes to observe the clauses set out in this document. Any contrary or additional wish of the Supplier shall be explicitly stated on the purchase order. It is the Supplier's responsibility to ask the Purchasing Department for additional information if necessary.

These quality requirements may be supplemented and/or amended by special provisions stated on the purchasing documents.

1.2 Supplier's liability

The Supplier undertakes to act in accordance with the laws and regulations in force that apply to its activity, in particular in terms of tax and employment law and environmental and health and safety requirements.

In fulfilling an order, KEP Technologies asks its suppliers to:

- observe the country's legislation related to illegal or undeclared work;
- observe the REACH and Conflict Minerals regulations;
- inform it in case of supplies that may have an impact on the health and safety of workers or on the environment or that pose counterfeiting risks.

2. QUALITY REQUIREMENTS

A Supplier may only be selected and retained insofar as its work meets the level of quality required. The Supplier must establish, document and maintain a quality management system meeting the requirements of the Quality System Model for the aerospace industry EN 9100, when all or part of its Supplies are specifically intended for aeronautical use. When its Supplies are not specifically intended for aeronautical use, the Supplier must have a quality assurance system meeting the requirements of the quality management system ISO 9001.

2.1 Right of access

KEP Technologies, its customers and the regulatory authorities reserve the right to access records and the production sites concerned by the order and therefore, the right to conduct audits at its Suppliers' premises. KEP Technologies' customer or its representative must have the right to check at the Supplier's premises that the product conforms to the requirements specified.

2.2 Management of documented information

The Supplier must put the necessary arrangements in place to:

- ensure that it has all the documents required for the performance of the contract or to fulfil the order;
- ensure that the version number of these documents is valid;
- ensure the availability of applicable documents at the sites where they are used;
- ensure the availability of applicable documents at its own suppliers;
- prevent the use of obsolete documents or those with handwritten annotations that have not been validated.

2.3 Archiving

The storage environment and media used must guarantee the protection and legibility of data for the entire archiving period. The Supplier undertakes to keep appropriate records making it possible to trace manufacturing and inspection operations and any document that can prove the conformity of products and the process until KEP Technologies authorises their destruction.

2.4 Skills, training

The Supplier must ensure that all activities related to the performance of the contract or fulfilment of the order are carried out by staff who have the training, professional skills and any qualification required, including temporary staff and contracted service providers.

2.5 Risk management

The Supplier must put in place an identification and periodic evaluation process and a process to reduce risks that may disrupt the industrial process and contractual obligations related to product quality and meeting delivery times.

These risks may be related to:

- the products (technical nature, use, etc.);
- supplies (single sourcing, obsolescence, change in source, sustainability, etc.);
- the product manufacturing and inspection operations;
- resources (machines, IT, etc.);
- staff.

2.6 Management of changes and activity transfers

The Supplier undertakes to implement all plant, production and organisation improvements that it deems necessary to meet the requirements of the order. The Supplier must inform KEP Technologies as soon as possible of product developments and those related to the process specification, changes in supplies and industrial transfers in order to obtain KEP Technologies' approval. The Supplier must carry out a review of the last item before transferring all or part of its production.

2.7 Purchases

If the Supplier must itself procure supplies necessary for the fulfilment of the order, it shall assume liability for all of the products integrated in its service. The Supplier undertakes to contact the subcontractors, manufacturers or other suppliers named in the specifications file. No other subcontractor, manufacturer or supplier may be brought in by the Supplier without the prior written authorisation of KEP Technologies. The Supplier must pass on to its own suppliers the appropriate requirements of this document and any document named in the contract or order as well as the normative requirements ISO 9001 and/or EN9100 as applicable. When the choice of subcontractor is not stipulated in the specifications, KEP Technologies reserves the right to check the conditions for approving and monitoring the chosen subcontractor. The Supplier shall set up an evaluation and selection process for its subcontractors. The Supplier must provide for all the checks and testing necessary to ensure that its supplies conform to the requirements of the corresponding specifications. All necessary steps must be taken to ensure that the supplies delivered can be traced and stored under satisfactory conditions. Non-compliant or counterfeit products must be separated so as to prevent any unintentional integration in the service. Registration documents related to checking supplies on delivery shall be made available to KEP Technologies.

2.8 Exemption request

Any exemption request made by the Supplier during manufacture or for a finished part must be notified in writing and submitted for KEP Technologies' acceptance within the shortest time frame and noted on the Delivery Note and Declaration of Conformity. If an exemption concerning all or part of the work is granted in writing by KEP Technologies to the Supplier, the Supplier will bear all the resulting consequences, in particular financial: additional work, administrative costs and any other costs for KEP Technologies.

2.9 Traceability, configuration management

There must be an express and unique correspondence between the reference and/or identification number of the supplier and that of KEP Technologies or its customer. The Supplier must have a system that can quickly find the past history of a supply concerning its specification, manufacture and inspection: configuration produced, material used (as appropriate), identification of operators, resources used, ranges. The traceability rules put in place must make it possible to identify, for a given product or subassembly, all the batches of components or raw materials concerned and vice versa. The Supplier must keep the various configurations (reference, applicable, delivered) of its own products up-to-date. Specific requirements in terms of identification (batching, assigning or recording serial numbers) and traceability (item, critical components, materials) will be stipulated in the special specifications provided at the time of the order. Distributors and those selling via catalogues must as a minimum inform KEP Technologies of the origin of their supplies. If the Supplier is unable to guarantee the aforementioned traceability requirements, a decision must be taken between KEP Technologies quality and purchasing in order to confirm the Supplier's use.

2.10 Special processes

The Supplier must identify the special processes implemented to make the product (e.g.: surface treatments and coating, heat treatments, laser welding, etc.). These special processes must be qualified by the Supplier before use. Significant parameters must be identified, managed and recorded. If special processes are implemented, the operators must be qualified according to the requirements specified in the plans, technical specifications, contracts or purchase orders. These provisions also apply to special subcontracted processes. KEP Technologies shall be able to view the special processes qualification file at its simple request.

2.11 Non-compliance or counterfeiting

Should any counterfeiting or non-compliance be detected during manufacturing, the Supplier's quality department shall contact KEP Technologies' quality department as soon as possible and before delivery in order to make a decision on the action to be taken (discard, repair or deliver as is). In case of non-compliance, the acceptance request may be drafted on the Supplier's document. In general, no non-compliant or counterfeit part shall be delivered without having been notified and cleared in advance. In addition, physical identification (e.g. indelible label, paint) is obligatory. Products discovered to be non-compliant or counterfeit at the time of delivery will be brought to the knowledge of the Supplier which shall then quickly inform KEP Technologies of its decision regarding the return of the parts to make them compliant and investigate them. The parts declared non-compliant or counterfeit by KEP Technologies' quality department shall remain available to the Supplier for one month from the date of declaring the non-compliance or counterfeiting. After this date, they will be destroyed. Should KEP Technologies or one of its customers detect any non-compliant or counterfeit product, the Supplier will be responsible for remedying the situation within 48 hours and proposing a solution to KEP Technologies within ten days. In certain cases due to time limits, non-compliant products may be used internally by KEP Technologies and the related costs invoiced to the Supplier. For any supply refused at the time of documentary acceptance regarding quality or quantity or should any non-compliant or counterfeit product be observed during use, the Supplier will assume the resulting costs (transport, insurance, etc.). In case of a complaint, KEP Technologies may return, carriage forward, the products for inspection. KEP Technologies reserves the right to apply penalties for the cost of managing non-compliant or counterfeit products.

3. DELIVERY

The Supplier undertakes to provide KEP Technologies with the recommendations concerning use, expiry or storage of the products provided to KEP Technologies if applicable. Unless specifically provided for, the products delivered to KEP Technologies must not have an expiry date that is earlier than one (1) year after the delivery date.

3.1 Packaging

The packaging must enable external identification and storage with no special precaution. All products must be delivered clean and uncontaminated. The Supplier shall guarantee that all steps are taken to protect the products (corrosion, scratches, etc.) during handling and transport operations until delivery on site. The Supplier will assume responsibility for all the financial consequences of any damage that may be caused to all or part of a product following non-compliance with this condition. The Supplier will aim to maximise use of recyclable packaging and packing materials. Split deliveries must be agreed in writing beforehand by KEP Technologies.

3.2 Delivery documents

The deliveries shall conform to the general and special terms and conditions stipulated in the order. All deliveries shall be accompanied by a delivery slip on the Supplier's letterhead, a declaration of conformity and any other document specified in the contract or order.

The delivery slip must state:

- the date,
- the full order reference,
- the package number,
- the reference (Supplier and KEP Technologies) and description of the products concerned as well as the description of the operation as appropriate,
- the quantity, length or weight delivered,
- the number(s) of any exemptions or non-compliance,
- any information requested by the Purchasing department.

If there is any non-compliance that has been accepted by KEP Technologies, a copy of the acceptance documents (exemption or other) must be attached. In the absence of these documents, invoicing will be stopped. The contractual delivery time of work for which an exemption has been accepted shall remain the same.

3.3 Deadlines

The Supplier shall inform KEP Technologies of any causes of delay as soon as they become apparent to enable KEP Technologies to take all necessary steps in any event before the contractual delivery date. KEP Technologies reserves the right to cancel any order not delivered within the timeframes agreed and to refuse any delivery that does not comply with the conditions set out, without prejudice to damages that KEP Technologies may claim.

4. SUPPLIER MONITORING

KEP Technologies assesses the operational performance of its suppliers throughout the year. Suppliers are marked according to the following criteria:

Quality performance:

- Number of supplier non-conformities (n) = number of non-conformities originating from the supplier

Performance related to purchases:

- Service levels (%) = (number of lines delivered that comply with deadlines and quantity / number of lines expected for delivery) * 100

Relationship performance:

- Relationship: impact of the supplier's flexibility and responsiveness in meeting KEP Technologies' requests

Note:

Delivery time compliance criteria: an early delivery within the same month as the date required is considered compliant. A delivery that is on time or up to two days late is considered compliant. A delivery that is three or more days late is considered non-compliant.

Quantity compliance criteria: a delivery of the quantity ordered or a planned partial delivery is considered compliant. An unplanned partial delivery is considered non-compliant.

Definitions of relationship criteria:

Flexibility: supplier's ability to meet urgent requests.

Responsiveness: response time to KEP Technologies' requests.

The site purchasing and quality departments analyse these results. Depending on the results of the requested supplier actions, the following actions may be implemented:

- immediate precautionary actions to secure deliveries under way and subsequent deliveries;
- corrective actions resulting from identifying root causes and monitoring their effectiveness;
- preventive actions to sustain the solutions implemented;
- an audit;
- notification to the supplier of the termination of the commercial relationship.