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1. AIM

The following attachment sets the requirements regulating the relationship between Prima Electro S.p.A. (hereinafter “Prima Electro”) and its Supplier, for what concerns the supplies quality and reliability.

Prima Electro aims to create a supply network which can support and develop the qualitative growth of the Contract Products: therefore, the Supplier has to comply with the following requirements to avoid NC and to implement the efforts in the Contract Products improvement guaranteeing a no-fault product. .

2. AREA OF APPLICATION

This Agreement shall apply to any Direct Material supply.

The obligations and responsibilities defined by this document apply to all products delivered to Prima Electro. In case of conflict with the special conditions of supply, these will prevail only if subscribed by the Prima Electro Quality dept.

As fundamental part of the order, all contents are considered as accepted by the Supplier even without an order copy signed by the Supplier himself.

Any clause that the Supplier inserts in the invoices, in the confirmation orders, in the mailing and in any other documentation, not complying with the following document, is considered null.

3. DEFINITIONS

Customer:	Buyer and/or Consumer of the Prima Electro S.p.A. product
Article:	Component and/or group designed to be part of the Prima Electro Product. It is defined only by a Product Code assigned by Prima Electro S.p.A.
Audit process:	Prima Electro will periodically check and document the Supplier production stages to confirm the product suitability according to the quality requirements agreed. This activity includes the check of any non-conformity suspended and identified during a previous visit (follow-up).
Containment action / Measure:	Action to avoid the effects due to a detected non-conformity or to other unexpected situations detected.
Corrective action:	Action to delete the effects due to a detected non-conformity or to other unexpected situations detected.
Preventive action:	Action to delete the reason of a potential non-conformity or of other unexpected situations.
First samples approval:	Authorization issued by Prima Electro S.p.A. (Quality) following positive outcomes in tests and controls (both dimensional and aesthetic - if required), on a limited number of product samples to be acquired, in order to evaluate their compliance with the requirements.
Rejection reason	Description of the detected defect
Dispute	Formal claim of damages due to nonconformities detected in the product/material provided.
Derogation	Extraordinary acceptance in deviation of Direct Materials even if they did not comply with the requirements agreed
Flow Diagram	Production flow scheme: from raw material production to shipment.
Defect	Non-compliance with the requirement agreed
Critical defects	Defects that could harm people, animals or things. The Suppliers guarantees the goods do not have these defects.
Faulty (Qrate)	Ratio value (in PPM) between the non-conform parts and the number of parts provided -multiplied by 1 million- given a period as reference.

Technical Documentation:	Drawings, technical and control specifications
Supply:	Product or Product Family ordered by Prima Electro spa.
Standard level:	Supply or Production Process status without quality problems
Direct Materials	Components, preassembled, processing, machining, articles, to be incorporated with the Prima Electro final Product and the same finished product.
Nonconformity (NC):	Non conformity with the requirements agreed. The Non Conformity Report (RNC) is released
Control Plan	Quality registration document listing the characteristics to check and how to do it, the measured value and the control feedback. This document is signed by the controller.
PPM:	(Parts per million): unit of measurement indicating the parts per million
Product Contract	Product or Product family ordered by Prima Electro. In the following document, "Product Contract" means "Direct Material"
Production Process Qualification:	Registered inspection/audit made by Prima Electro on all Production Process stages (new or changed by the Supplier), to check the compliance in guaranteeing the quality requirements expected by Prima Electro.
RNC	Non Conformity Report collecting all information about the Non-Conforming product/component
R&D	Research & Development
Revocation of production approval	In case there is a negative trend (repeated rejections, high PPM level, etc.) in the Supplier performance with the supply of NC products which could compromise the Prima Electro products quality, Prima Electro have the right to stop ordering and to end, wholly or partially, the cooperation with the Supplier.
Supplier Quality Supervisor	Prima Electro employee working within the Quality organization structure - referent for the Supplier

4. GENERAL REQUIREMENTS

- The Supplier is responsible for the quality of the Product supplied in compliance with the Technical Documentation.
- The Supplier is responsible for guaranteeing that the Technical Documentation to define/make the Product is complete, updated, shared and available in the place of usage.
- The Supplier must guarantee the quality of each Product lot supplied registering and storing the results of both the process control and the final tests.
- The Supplier has to forecast and periodically "check" the finished Products before the shipment to Prima Electro, to guarantee their compliance with the Products established in the contract.
- When: a) change of machining with new parameters setting, b) each machine reboot following a stop, c) every shift start, d) machine tools change, the Supplier must register the "first piece approval" – that is the controls execution for all the features involved in the machining process as agreed in the Process Control. Results must be registered and stored.
- The Supplier must guarantee that all the supply processes/tests will be managed by qualified and trained personnel.
- The Supplier must ensure the use of tools set according to a procedure that guarantees the metrological traceability chain with national / international reference samples.
- The Supplier must guarantee the machinery and the equipment functionality, arranging a maintenance service for ordinary (preventive maintenance) and extra-ordinary (emergency) services. The Supplier is also required to keep a document planning of the interventions done and to be made.

- The Supplier must be aware of the machining tools (i.e. Plastic moulds, die, metal sheets) life expectancy (life). The ordinary maintenance analysis should outline the maintenance frequency change.
- The Supplier must guarantee to Prima Electro the free access to data registered and stored during its activity.

5. PRIMA ELECTRO TOOLS AND PRODUCTS

In case the Supplier should use tools/samples/products of Prima Electro to produce the supply (controls or tests) the “Construction tender and the loan for use” will be valid (**Chapter 21: “Construction tender and the loan for use”**).

The Supplier has to preserve and properly use the tools / samples / products belonging to Prima Electro, even also through the identification with the proper codes. All damages caused by misuse of tool/samples/products are at the Supplier’s expense only.

The Supplier is responsible for the ordinary maintenance, including all interventions to preserve these tools/products/samples, clean and efficiency. In case tools/products/samples are lost, damaged or not appropriate for the use, Prima Electro S.p.A. must be immediately informed via written communication.

6. SUPPLIER VISITS AND INSPECTIONS

Prima Electro can arrange inspection visits and Audit Process to the Supplier organization, in order to evaluate the quality guarantee system and processes control, plus verify that Products conform to specifications using the Supplier test and control tools.

After receiving a prior written notice by Prima Electro, the Supplier guarantees free access to Prima Electro staff in order to arrange these inspections.

These inspections do not substitute the Supplier quality controls and do not limit the Supplier responsibility towards Prima Electro, or even the chance of Prima Electro to reject the Product if considered non-conforming.

7. PRODUCT CHANGES

No change can be made on the contractual Product (it means on the product materials) without previous and formal authorization by Prima Electro.

With exception of any recourse for damages, the Supplier provision can be blocked in case of failure to comply with these instructions.

8. PROCESS CHANGES

The Supplier is expected to send a written communication to Prima Electro to inform about any change in the production process that can affect the security, the liability, the performances, the functionality and the layout of the Products.

The communication will be addressed to the Supplier Quality Supervisor, together with the reports that guarantee the changes will not negatively affect the Product level quality.

With exception of any recourse for damages, the Supplier provision can be blocked in case of failure to comply with these instructions.

9. PRODUCTION TRANSFER

If the Supplier decides to move the production plant in a new site, he has to previously ask for a written authorization by Prima Electro; Prima Electro could also ask the Supplier to provide a new Manufacturing Process Qualification. Even upon Prima Electro authorization, this will not change the warranties referred to the Products quality requirements.

With exception of any recourse for damages, the Supplier provision can be blocked in case of failure to comply with these instructions.

10. QUALITY PERFORMANCE (REJECTIONS / QRATE)

10.1. Fault in the Supplier internal process

The Supplier should systematically collect and provide to Prima Electro all data referred to the Products industrial process faults on monthly basis. The documentation available will report the rejections values divided according the different causes.

10.2. Industrial process flowchart

The Supplier must provide and update the Industrial Process flowchart of the Products. This document should include all manufacturing stages, starting from the receipt of goods, including the re-manufacturing/repair stages, control, packaging and shipment. The Flowchart must be updated with the Industrial process changes and sent to Prima Electro, even if the Supplier remains fully responsible of this choice and of the industrial process setting.

10.3. Control Plan

All controls made by the Supplier must be recorded in a document called “Process Control Plan”, containing all the information below:

- Article Code with description and revision;
- Work phase (referred to the Follow Diagram of the Industrial Process);
- Controls to make indicating the parameter/ the feature to be checked;
- Control quantity and frequency;
- Tool(s) suitable for controlling and for indicating precision, according to the feature to check;
- Quality Assurance Manager name and quality documents signed;
- Reference to specific Supplier instructions and/or instructions from Prima Electro to which refer;
- Box note listing the actions to be made (or made already) following the detection of non-conformity or of a process error.

Following the Manufacturing Process analysis and the Prima Electro feedback, the Process Control Plan must be constantly updated including all Manufacturing process stages, from the receipt of goods to the finished product shipment.

If necessary, Prima Electro can ask to receive the Process Controls Plan.

11. FIRST SAMPLES INSPECTIONS

The Supplier is expected to send first samples to Prima Electro together with the documents below. The samples have to be manufactured with the same tools and machines that will be used for the serial production.

Following prior controls and tests, the Supplier is then responsible for guaranteeing the samples comply with the requirements agreed.

The sampling must be provided with:

- *CAM ID card*

Is the precompiled document identifying the samples and containing all information as well as the Prima Electro warehouse / shipping address.

The Supplier must provide the Transport Document (DDT) together with the cover letter. Plus, it is mandatory to apply a blue sticker indicating the label “first samples”. In case the Supplier does not have this sticker, he has to contact the reference Buyer for the shipment.

- *Dimensional Data Survey*

This is the pre-filled document sampling (all drawing features to check are displayed) where the Supplier has to insert all characteristics checked (dimensions, coating thickness, etc.) included the raw material certificate for the basic material

- *Function/performance tests report*

It is the report of the function/performance tests and their outcomes.

The Prima Electro QUALITY checks and tests the Products according to the technical specifications.

Once the control process is over, the Supplier receives a feedback by Prima Electro:

- Conform
- Not Conform – Accepted by Concession to be re-sampled YES
- Not Conform – Accepted by Concession to be re-sampled NO
- Rejected

11.1. ZERO DEFECTS

The positive sample outcome does not reduce the Supplier responsibility towards the conformity of the Products according to the technical requirements agreed to satisfy the “Zero defects” aim (Zero complaints) as required by Prima Electro.

In order to reach the aim, the Supplier has to constantly improve the manufacturing process through programs involving the subcontractors, the manufacturing process control, the personnel management, the liability of the processes and the customer satisfaction.

11.2. Supplies check and Free Pass (acceptance of Supplies)

The Contract Products will immediately be available to Prima Electro production plant without any check (“Free Pass” regime), a part from materials made upon specific PE design, for which is arranged a samples control at the delivery moment.

For each delivery, the Supplier guarantees that all Products given to Prima Electro comply with the requirements agreed. The Supplier also guarantees that the aforementioned products have been controlled with the procedures agreed to ensure safety and compliance with the requirements agreed.

The Contract Products delivery and/or receipt and/or payment by Prima Electro, does not guarantee quantitative or qualitative acceptance of these Products.

Considering the complexity of Prima Electro production and distribution process, Prima Electro has 60 (sixty) working days to complaint, starting from the discovery of the products fault. During the period between the Contract Products receipt and the end of the warranty period Prima Electro guarantees to its customers, Prima Electro can exercise this right.

12. NON CONFORMING SUPPLY

Prima Electro rejects the material not complying with the requirements agreed and/or not assembled. This material could affect security or determine a blocking functional problem, leading to both liability/quality problems and Customer/User disappointment.

12.1. Non conformity management (NCM)

The NC arm the production/assembly process causing delays or stops in the assembly line, leading to possible delays in products shipment to Prima Electro customers. In addition, this could lead to a bad quality reputation of the product on the market.

These problems have to be faced and solved to avoid production stops or delivery delays. If the Contract Product sample is NC, Prima Electro can proceed as follow:

- on the Supplier's expense, to have the NC product (or all the lot) replaced.
- on the Supplier's expense, to reject all the NC products lot, with no replacement request (unless useful for Prima Electro).
- on the Supplier's expense, to select and recover the NC Products with additional reworking, only in urgent cases or when the Supplier could not immediately substitute the supply.

These problems are usually managed with a formal complaint, therefore in all NC cases; Prima Electro reserves the right to count the costs and to ask the Supplier for a refund of the damages referred to the Product.

In case of continuous NC, Prima Electro reserves the right to communicate to the Supplier the "Revocation of Production Approval" (see 12.2 paragraph).

All NC are classified, data base stored and notified to the Supplier via email with the NC report enclosed in the following page.

12.2. Revocation of Production Approval

In case of negative trend (repeated rejections, high PPM level, etc.) in the Supplier quality performance of the Contract Products or Supplier non-compliance towards the present Specification requirements, Prima Electro will be allowed to revoke the production approval for one or for all Products. As a consequence, the Supplier will not be allowed to deliver the aforementioned products. This action will be valid until the original product conditions are restored guaranteeing quality and liability in compliance with the positive sample outcome.

If the situation does not change, the Supplier will be deleted from the list of suppliers.

	RAPPORTO DI NON CONFORMITÀ N° / NON – CONFORMITY REPORT N° /	Allegato Attachment QES.02.02
	<input type="checkbox"/> RICEVIMENTO MERCI (GOODS RECEIPT) <input type="checkbox"/> COLLAUDO ACCETTAZIONE (TESTING ACCEPTANCE) <input type="checkbox"/> MANUFACTURING (MANUFACTURING) <input type="checkbox"/> SISTEMA QUALITA' (QUALITY SYSTEM) <input type="checkbox"/> SICUREZZA (SAFETY) <input type="checkbox"/> AMBIENTALE (ENVIRONMENTAL)	

Sezione A - Section A

Rilevatore: <i>Defector</i>	Ente: <i>Dept</i>	Data: <i>Date</i>	Firma: <i>Signature</i>
Fornitore: <i>Supplier</i>	N°	Del:	N° Ordine: <i>Order N°</i>
Codice: <i>Code</i>	Descrizione: <i>Description</i>		
Q.tà consegnata: <i>Q.ty delivered</i>	Q.tà controllata: <i>Q.ty controlled</i>	AQL: <i>AQL</i>	Q.tà non conforme: <i>Q.ty not complying</i>
NON CONFORMITÀ RILEVATA: (NON CONFORMITY DETECTED)			
MATRICOLE COINVOLTE: (SERIAL NUMBERS INVOLVED)			
Probabili cause: (Possible causes)			

Sezione B - Section B

Incaricato: <i>Owner</i>	Data: <i>Date</i>	Enti in copia: (Depts. in copy)	
		<input type="checkbox"/> QES <input type="checkbox"/> OPE <input type="checkbox"/> PROC <input type="checkbox"/> R&D <input type="checkbox"/> S&M	
AZIONI DA INTRAPRENDERE PER LA RISOLUZIONE DELLA NON CONFORMITÀ ACTIONS TO RESOLVE THE NON-CONFORMITY			
<input type="checkbox"/> Scartare il lotto/prodotto (Reject the product/ the batch) <input type="checkbox"/> Collaudare al 100% e scartare le parti difettose (100% testing and faulty parts rejection) <input type="checkbox"/> Chiedere deroga al Responsabile QES (Ask the QES Representative for an derogation) <input type="checkbox"/> Autorizzare la riparazione del prodotto (Authorize the product repair) <input type="checkbox"/> Aprire un'azione correttiva (Open a corrective action) <input type="checkbox"/> Altro: (Other)			
MODALITÀ AZIONI RICHIESTE: (ACTIONS REQUIRED DESCRIPTION)			
Non Conformità <i>Non-conformity</i> <input type="checkbox"/> Chiusa / Closed <input type="checkbox"/> Aperta / Opened	Risoluzione immediata NC <i>Immediate NC solution</i> <input type="checkbox"/> SI / YES <input type="checkbox"/> NO / NO	Richiesta Azione Correttiva N° ___/___ <i>Corrective action required N° ___/___</i>	Firma PROC e/o QES: <i>QES and/or PROC signature</i>

Sezione C - Section C

RELAZIONE CONCLUSIVA: (NC CLOSURE REPORT)			
Azione eseguita <i>Action done</i> <input type="checkbox"/> SI / YES <input type="checkbox"/> NO / NO	Ore impiegate: <i>Hours spent</i>	Data: <i>Date</i>	Firma Incaricato: <i>Owner signature</i>
Verifica / Check <input type="checkbox"/> Positiva / Positive <input type="checkbox"/> Negativa / Negative	Non Conformità <i>Non-conformity</i> <input type="checkbox"/> Chiusa / Closed <input type="checkbox"/> Aperta / Opened	Data chiusura: <i>Closing date</i>	Visto QES: <i>QES checked</i>

12.3. NC costs refund

The NC management costs are calculated on monthly basis considering the impact the NC management has on Prima Electro.

With quarterly basis order, Prima Electro will notify the amount referred to the NC costs. These costs will be deducted from the amount due by Prima Electro for the supply, according to the conditions agreed with the PE Purchase manager.

The following page displays an example of module used by Prima Electro to notify the quarterly NC costs, with a summarization of the management costs.

		COSTI DELLA NON QUALITA' / NON-QUALITY COSTS		Modulo/Module ACQ10.01
		FORNITORE/SUPPLIER:	PERIODO/PERIOD:	
Note di scarto (costo gestione) <i>Discard notes (management costs)</i>			Qtà/Qty	U.M.
	Numero note di scarto nel periodo / <i>Discard notes in the period</i>			n.
	Tempo fisso gestione nota di scarto (30 min/note) <i>Fixed time discard note (30 min/note)</i>	30,0		min
	Tempo variabile gestione nota / <i>Variable note management time</i>	-		min
	Costo orario/Hourly cost	67,00		€/ora -hour
	Numero di spedizioni materiale a fornitore <i>Number of shipments to the supplier</i>			n.
	Costo spedizione materiale a fornitore / <i>Shipping cost to supplier</i>	31,00		€
	Numero viaggi / interventi presso il fornitore <i>Number of travels/interventions at supplier's branch</i>			n.
	Costo viaggio / intervento presso il fornitore <i>Travelling cost/intervention at supplier's branch</i>	51,00		€
	Sub Totale/Sub total	-		€
Scarti in Produzione (smontaggio/sostituzione + gestione) <i>Rejections (dismantling/substitution+ management)</i>			Qtà/Qty	U.M.
	Numero pezzi scartati nel periodo in produzione prima del montaggio <i>Number of parts discarded before mounting</i>			n.
	Numero pezzi scartati nel periodo in produzione dopo il montaggio <i>Number of parts discarded in production after mounting</i>			n.
	Tempo smontaggio / sostituzione/ accantonamento <i>Mounting time/substitution/allowance</i>			min
	Tempo gestione invio in garanzia a fornitore (20 min) <i>Supplier warranty shipment management time (20 min)</i>	20,0		min
	Costo orario/Hourly cost	67,00		€/ora -hour
	Costo spedizione a fornitore (forfait x pezzo) <i>Cost for shipment to supplier (all in x part)</i>	1,00		€
	Sub Totale/Sub total	-		€
Riparazioni in garanzia al fornitore <i>Supplier's warranty repairs</i>			Qtà/Qty	U.M.
	Numero di pezzi resi nel periodo/Number of parts returned in the period			n.
	Tempo medio gestione scarto (sostituzione+gestione) <i>Non-conformity management average time (substitution+management)</i>	30,0		min
	Costo orario/Hourly cost	67,00		€/ora -hour
	Costo spedizione (forfait x pezzo) / <i>Shipping cost (all in x part)</i>	1,00		€
	Sub Totale/Sub total	0,00		€
Reclami Clienti (costo gestione+costo interventi) <i>Customers' complaints (management costs+ interventions cost)</i>			Qtà/Qty	U.M.
	Numero di reclami ricevuti nel periodo/Complaints received in a period			n.
	Tempo medio gestione reclamo /Complaint management average time	4,0		ore
	Numero di interventi c/o Cliente <i>Number of interventions at customer's branch</i>			n.
	Tempo medio intervento / <i>Average intervention time</i>	20,0		ore
	Costo orario / <i>Hourly cost</i>	67,00		€/ora -hour
	Costo trasferta (forfait spese viaggio + "live expenses") <i>Travelling costs (all in: journey expenses + "live expenses")</i>	500,00		€
	Sub Totale/Sub total	0,00		€
Puntualità (costi indotti) / Delivery time (induced costs)			Qtà/Qty	U.M.
	Indice di puntualità del periodo / <i>Delivery time index</i>			
	Fatturato del periodo/Turnover period			€
	Coefficiente applicato/Coefficient applied	3		%
	Sub Totale/Sub total	-		€

Totale extra-costi indotti da non qualità del fornitore / Extra-costs due to supplier non-quality

-

€

Firma del Fornitore per accettazione
Supplier acceptance signature
.....

Data/Date:

13. DEROGATION

If the Supplier detects a NC within the Contract Product manufacturing process, he can formally ask Prima Electro deviation approval, indicating the code, the lot quantity, the NC description, corrective actions already done to eliminate the NC, lot/ expected data to have again products meeting the specifications required.

Only the Prima Electro QUALITY dept. can approve a formal derogation to what required.

The material will be sent to Prima Electro specifying the customer deviation permit on the package/material, with reference to the Prima Electro QUALITY dept. communication.

14. WARRANTY

The Supplier must guarantee the Contract Products compliance and their proper functioning according to the terms agreed in the Prima Electro General Conditions of Purchase (attached to this document).

15. PRODUCT LIABILITY

The Supplier must guarantee to comply with all regulations and laws concerning safety, health and ambient protection and/or good manufacturing standards.

If Products are found defective or not complying with the requirements, not safe or reliable, the Supplier will be the only responsible towards injured third parties or authorities.

16. MATERIAL RECEIVING

The Supplier is responsible for the Contract Product quality and compliance according to Prima Electro requirements. Moreover, the Supplier commits himself in taking back all NC material issuing a credit note which covers the product costs and refunding Prima Electro for any additional expenses caused by the NC.

Prima Electro reserves the right to check at any time the functioning and compliance of the Contract Products received; any note or dispute will be reported on the NC module issued by Prima Electro (RNC).

The limitation period mentioned in the Italian Civil Code (art. 1495) cannot be applied to the present Specification as Prima Electro will reserve the right to plead any fault or non-conformity even once the limitation period aforementioned expired.

17. STORAGE

In order to avoid damages and deteriorations, the Supplier has to guarantee a proper storage of raw materials, semi-finished products and final products. Same awareness shall refer to internal handling, in particular the Supplier commits himself to check the materials status to avoid incorrect use or wrong (example, prototypes, samples, NC materials and serial products).

The Supplier will respect the Product packaging specifications provided by Prima Electro. In any circumstance, he has to guarantee the product safety using a proper packaging.

18. TRACEABILITY

The Supplier guarantees the Contract Product traceability.

The Supplier will have to manage this data being able to retrace, for each component/serial number, the manufacturing information (i.e. tools used, production dates, materials).

In case of faulty components, the Supplier must be able to trace the manufacturer's batch number and the related traceability reference to find the serial numbers of the finished products having a faulty component installed.

The instructions to manage the BARCODE traceability labels to be applied on the components are listed below.

All the components which drawings indicate to insert the BARCODE where required by the Prima Electro Quality Control (QC).

Prima Electro requires the use of the “3 OF 9 CODE” format equivalent to “CODE 39”. The information Prima Electro is interested in is:

- Supplier Code
- Article Code
- Component production lot number
- Serial Number component

Information listed above will be grouped in two codes defined:

Part Number	Serial Number
Supplier Code	Component production lot number
Product Code	Serial Number component

According to the scheme below:



18.1. Part Number

The “Part Number” string encoding (alphanumerical code) will have a size ranging from 16 to 22 characters and will be communicated by the Prima Electro Control Quality (as it will comply with two internal encodings).

For components with dimensions that do not allow to stick both the labels on it, this codification can also be placed (previously agreed with Prima Electro QUALITY) on the package of the component.

Example: “For eproms, the Part Number label can be applied on the carton/bar containing the products delivered”

18.2. Serial Number

The code string defined “Serial Number” (numerical code) is 12 characters long (6 “six” used to identify the lot number, followed by 6 “six” characters right justified identifying the progressive component number within the lot).

If the progressive number is considered not important (to be considered according the instructions given by the Prima Electro QUALITY Dept.) the space left will be compiled as “0000”.

18.3. General notes

At the beginning and the end of the case, there is this symbol “*”:

Example: *0E000188-FRA*
F00003
01000003

The labels have to display the traceability data written BARCODE font (CODE 39) and repeated below in “Arial” font; the dimensions will comply with the component space, but being not lower than:

- Minimum BAR CODE format dimensions: 3 mm high
- Minimum font dimensions: Arial “6”

Label copies shall be previously sent to Prima Electro QUALITY dept. to check the compliance with the reading tools in use.

Each article must have a label on it plus a removable copy attached.

Prima Electro encloses the second label copy to the “Control and machining module”, coming with the finished product.

In case of “complex” articles supply (made by several boards closed in boxes or grids) the second copies of the codes must be attached to a document placed on the box or on the grid.

The two aforementioned codes (Serial Number and Part Number) could be inserted in only one label or in two different labels, paying attention to not place the BARCODE one next to other, but always the Part Number vertically positioned upon the Serial Number.

Any change to what aforementioned has to be previously agreed with the Prima Electro Quality Control unit, that will confirm the possibility to apply the modifications.

Example: “For the emproms and for the serial number, it could be more important to date back to the release and the programming language instead of the serial number”.

19. CLARIFICATIONS

The Prima Electro QUALITY Dept. is at Supplier disposal for any clarification or doubt on the on the modalities to follow for complying with the requirements agreed in this document..

20. TRANSLATIONS

In case of disputes regarding this document, the only valid reference will be the Italian version (not the English translation).

21. STATEMENT OF THE TOOLS PRODUCTION AND LOAN FOR USE

This specification aims to define the operative modes and the responsibilities for a correct management/use of the manufacturing tools.

Prima Electro S.p.A. Strada Carignano, 48/2 - 10024 Moncalieri (TO) hereinafter the “Customer”

The “Equipment Supplier” is the supplier that makes the tools to produce components according to the specific Customer requirements.

The “Finished Product Supplier” is the supplier for serial products made with tools produced by the Equipment Supplier.

If the Equipment Supplier and the Finished Products Supplier is the same person, Prima Electro will apply anyway the rules referring to both figures.

21.1. Scope

This specification applies to all production equipment, no matter if:

- welding, curvature, hot/cold pressing, profiling;
- moulding, casting, thermoforming, plastic materials extrusion;

- melting, extrusion, cast aluminium alloy, casting, etc.

belonging to Prima Electro.

For all the non-mentioned matters, please refer to the “General purchase conditions for class 1 products”.

This statement can be applied to any Customer’s order concerning the material aforementioned and the related matters - also what is not directly mentioned.

21.2. References

- General conditions of Purchase for class 1 products;
- Check List of the Equipment IO31/01-01 evaluation;
- PSQ 27 “Sampling Management”
- Equipment Evaluation module

21.3. Table of Responsibilities

DESCRIPTION	QA	R&D	ACQ	SUPPLIER
Offer with specification of the equipment characteristics required by the Customer				X
Purchase order			X	
Sampling check and certification of the product made with the Equipment				X
Equipment Marking/Identification (fixed asset references, component code, etc.)				X
Equipment Evaluation	X			
Equipment change		X		
Equipment management				X
Ordinary maintenance				X
Extraordinary maintenance			X	X

22. OPERATIVE MODES

22.1. Equipment/Tooling production

The Customer authorizes the Supplier to produce the Equipment/Tooling indicated in the Purchase Order.

The aforementioned Equipment/Tooling must be produced in compliance with the Customer technical requirements, ensuring also compatibility with the machines on which is installed.

The Equipment/Tooling production will be made by the Supplier and his staff using all the production elements available to manage the risk.

The price and the payment conditions are set in the Order. All payments are allowed only after the Customer's Equipment/Tooling quality evaluation, unless differently agreed in the order.

All labour costs are at Equipment/Tooling Supplier's expense who will also take on all insurance, safety and welfare responsibilities according to the law or to the contract. No additional expenses will be charged on the Customer who only has to guarantee the payment of the amount agreed in the Order.

The Customer will be at any time allowed to modify the Equipment/Tooling according to the use and the scope they will be used for.

For making these changes, the Supplier and the Customer will define additional payments and time extensions to produce the equipment on time.

The Customer has the right to check at any time the production progress.

Unless there is a written Customer's permission, the production activity cannot be given to third parties or subcontracted; even upon Customer's permit, the Equipment/Tooling Supplier will remain the only responsible for all subcontracted activities.

22.2. Sampling Process

The finished Product Supplier will check the first samples made using the equipment, verifying their conformity to the technical specifications (all the characteristics drawn and any technical documents attached).

In case of faulty component, the Equipment/Tooling Supplier will restore carefully the equipment at his own expenses, in order to comply with the features indicated in the technical specs. The Finished Product Supplier will give the aforementioned sample to the Customer (in compliance to the technical requirements) together with the control documentation and the material certificate.

After repeating the procedure aforementioned, the Customer will check the sample manufactured with the new equipment/tooling to verify the conformity to the requirements of the products.

When the sampling process will be over, the Customer receives the feedback via fax and/or email. If the sampling provides a positive outcome, the Customer will issue an Equipment/Tooling quality document based on the control check-list verifications. In case of negative outcome, the Equipment Supplier is expected to immediately change the equipment until the samples produces will comply with the technical specs.

The Equipment/Tooling passing the aforementioned quality examination, became Customer's property even if stored at the Supplier's place. The Customer mark, identifying both the Equipment/Tooling source number and the article code, will be applied on the equipment. The mark will be provided by the Customer and it will display:

- Prima Electro;
- Product code;
- Source N° (XS.....);

The aforementioned procedure must be followed in any case and for any order.

22.3. Tools management and preservation

The Equipment/Tooling passing the quality evaluations aforementioned can be provided in loan for use to the Finished Product Supplier (in case the Supplier which made the equipment is different).

The Supplier of the finished product will exclusively use the equipment to supply the Customer that will place an order according to the agreed General Conditions of Purchase.

The Supplier guarantees the proper use of the Equipment/Tooling complying with the Customer instructions and with the (local) laws regulations. The Supplier also guarantees to take care of all the ordinary maintenance activities; the extra-ordinary maintenance operations will remain at Customer's expense.

Without the Customer written approval, the Supplier of the finished product cannot change the Tools working nor use it in a non-complying way.

The Equipment/Tooling displacement has to be previously notified to the Customer via written communication. In case of any damages to the Equipment/Tooling or loss (even if partial) the Supplier of the Finished Product must refund the Customer of, at least, the production cost (in case there are no additional serious damages to refund).

The Supplier of the Finished Product commits himself to protect Customer's rights, therefore he also commits himself to:

- outline that the Tools belong to the Customer;
- immediately inform the Customer about any lawsuit or administrative procedure related to the tools;
- immediately inform the Customer in case Tools are damaged without charging any additional costs.

The Supplier should at any time safeguard the Customer's interests, especially notifying the Customer if the Equipment requires any extraordinary maintenance or modification interventions.

22.4. Changes

The Customer can require at any time Equipment/Tooling changes to improve the performances for the scope they've been created. In that case, upon Customer's request, the Equipment Supplier will provide an expense forecast with reference to Customer's requirements and, only following Customer's written approval, he will be allowed to keep on producing as forecasted. In case the Supplier does not comply with it, he will lose any compensation for his activity.

The regulations aforementioned in the "equipment making" are valid also for the change/implementation activities approved by the Customer, unless different official agreement between the two parties.

Every time the Equipment/Tooling is changed or implemented, the sampling process has to be repeated. Only in case of sampling positive outcome the Supplier will get the compensation agreed in the forecast (unless different specifications in the order).

22.5. Liability and validity

The Finished Product Supplier let the Customer off any responsibility, included the art. 1812 c.c. In particular, the Finished Product Supplier declares that the use of Equipment/Tooling will be submitted to a careful risk analysis on environment and use, complying with safety and hygiene work laws; he also takes full responsibility in case of accidents or damages due to the non-respect of the regulations. The Supplier also commits (for the aforementioned reason) to notify the Customer in case his needs change because of the installation of additional safety devices complying with the regulation.

The Equipment/Tooling will be given back to the Customer in the same status it was taken (a part from wear and tear damage that naturally occurs) as soon as requested.

This specification is valid only upon the other party signature.

The signature of this specification applies these conditions on any equipment order received by the Supplier.

In case of any changes to this specification, the Customer will inform the Supplier on the changes made asking for an additional signature of approval.

Read, accepted and signed

Place and date

Stamp and signature
