



OPERATIVE PROCEDURE No. 1.17/12
SUPPLIER QUALITY

Review Index	Date	Description of the modification
00	30.03.88	-
01	30.04.90	-
02	05.04.91	-
03	15.06.94	-
04	28.05.95	-
05	06.02.96	Form table page 1
06	30.05.97	Form table page 1
07	21.06.99	Divisional Operative Procedure Unification
08	02.04.01	Form. Page 2, page 3, page 4, page 8 e page16 – Chap. 10 enclosed.
09	13.04.03	Reference to Directive 2000/53/CE and to IMDS System inserted; Modified § 4.2, § 4.3, § 4.3, § 5.1, § 5.2, § 6.13. Chap.12 added.
10	27.01.04	Procedure's contents reorganization dividing supplier's responsibilities (Chapter A) from C.F.GOMMA responsibilities (Chapter B). Modified the Process capability definition (Pp, Ppk added). Page 4: included PSW coversheet as a part of suppliers' PPAP. Page 10: added §5.2; Page 14: updated particular characteristics table; added § 6 (charges management)
11	05.05.05	Free Pass management: modified Chapter 8, §8.1 and removal of Letters of control delegacy attribution. Mod. §9.2 page 14 (Supplier Improvement Plans).
12	12.03.08	Add paragraph 4.4 in case of external development of toolings
		Verification / Approval
Department/Issue	Quality Systems Direction	C.E.O.
QS	H. Badrà	P.F. Cancarini



The purpose of the procedure is to standardize the principles and methods in which all suppliers of C.F. Gomma must conduct business including quality, delivery reaction, and response time to defects, increase volume demands, and terms and conditions described in procedure N. 0.01.

This procedure is schematically divided in two main chapters:

- Chapter A – Activities related to suppliers
- Chapter B – C.F.GOMMA Group internal Activities

The supplier subscribing to this procedure shall respect the contents and requirements in chapter A, and shall adhere to this procedure to continue future business with C.F.GOMMA.

1) DEFINITIONS

1.1- **Reliability (R):** It is the chance for the product to accomplish its function in its use conditions over a determined period of time.

1.2- **Sampling:** Drawing one or more samples from a batch, at random.

1.3- **Sample:** Element or group of elements drawn from an assemblage of products in order to gather quality information on the assemblage itself (the number of elements constituting the sample is called “sample number” and it is represented by the symbol “n”).

1.4- **Characteristic:** Any property that can be useful to determine a difference in terms of quality or quantity for a product.

1.5- **Quality or Conformity Certificate (C.Q.C.):** It is the document through which the supplier attests the quality of delivered product. This document reports the prescribed characteristics, those checked with the obtained values and it states the supply conformity to the requested prescriptions, guaranteed by thorough product controls. If the supplier entrusts the tests to other organizations, this certificate will enclose a copy of the testing report given by other organizations.

1.6- **Test:** Operation or a sequence of operations aimed at verifying if the product is conforming or nonconforming.

1.7- **100% Inspection:** Test in which the characteristic is verified on each single element constituting the batch and the acceptance judgment must be given for each element.

1.8- **Statistic Test:** Test in which the characteristic is verified according to a representative sample and the acceptance is given for the entire batch.



- 1.9- **Batch:** Quantity of homogeneous product formed by elements manufactured in the same conditions (product process and undefined used materials).
- 1.10- **Sampling Plan:** Group of rules establishing:
- sample number (N)
 - decision criteria to be followed for each sample, fixing the acceptance numbers (NA) and the refusing numbers (NR)
- 1.11- **Conforming and Nonconforming Product:** According to the characteristics' conformity to prescriptions, the product is considered:
- a) Conforming, when all the characteristics are within prescriptions.
 - b) Nonconforming, when one or more characteristics are outside prescribed values.
- 1.12- **Deviation:** Any deviation of a characteristic beyond the prescribed limits.
- 1.13- **Product Identification Card:** Document through which the Supplier identifies the contents of the collecting mean and its being part of a homogeneous batch.
- 1.14- **Capability:** potential attitude of a process to supply a certain outcome, coherent with a reference objective.
- 1.15- **Machine capability:** ability to work following prescriptions, i.e., in the prescribed tolerance. It is expressed by two number indexes (C_m , C_{mk}), both functions of the prescribed tolerance T_{pre} and the natural tolerance T_{nat} (intrinsic machinery variability at best exercise conditions). C_m expresses the width ability (dispersion measure), while C_{mk} also expresses the position ability (centering).
- 1.16- **Long Process capability:** capability to keep the prescribed tolerances, i.e. to realize product characteristics conforming to the prescribed tolerances in the long term (at least 20 production days). It has to detect the production process variation. It is expressed by two number indexes (C_p , C_{pk}) both of them functions of prescribed tolerance T_{pre} and natural tolerance T_{nat} (intrinsic process variability at best conditions). C_p expresses the width ability, while C_{pk} also expresses the position ability (centering).
- 1.17- **Short Term capability:** capability to keep the prescribed tolerances, i.e. to realize product characteristics conforming to the prescribed tolerances in the short term (pre-series). It is expressed by two number indexes (P_p , P_{pk}) both of them functions of prescribed tolerance T_{pre} and natural tolerance T_{nat} (intrinsic process variability at best conditions). P_p expresses the width ability, while P_{pk} also expresses the position ability (centering).
- 1.18- **Free Pass or Control Delegation:** Suppliers condition guaranteeing the stability of their product/service quality level.



1.19- **IMDS = International Material Data System:** it is a computer-based system that collects information about parts and/or materials constituting the supplied product. This system is relative to requirements for end-of life vehicles disposal, according to the 2000/53/CE Directive contents or other equivalents. Detailed information about accessing and using the IMDS system are available on the Internet, at www.mdsystem.com.

1.20- **Supplier approval:** C.F.GOMMA authorization to start supplying. It is the result of an assessment to verify the first sample compliance to technical specification, included their performances.

Chapter A) ACTIVITIES PERTAINING TO THE SUPPLIER

1) SAMPLING and related SUPPLIER APPROVAL

1.1- The supply of a new or modified product or the first supply must always be officially approved in writing by the C.F.GOMMA Quality Department through the AS400 "Supplier Approval" and the sign off by the C.F.GOMMA Quality Department of the PSW coversheet¹ (Part Submission Warrant) received from the Supplier with the samples and the PPAP documentation.

The Supplier Approval is issued according to the contents of sampling documents, to control and test outcomes carried out by the C.F.GOMMA Quality Department and according to tests and controls stated by suppliers in the Quality and Conformity Certificate (C.Q.C.) enclosed in the product sampling sent by supplier for approval.

1.2- Samples sent to C.F.GOMMA for approval must be manufactured on production equipment

1.3- Supplier approval must be repeated if one of the following situations occur:

- C.F.GOMMA requires a product modification.
- The supplier, cannot perform any product change without previous C.F.GOMMA written authorization.
- Significant changes of the supplier production process (change of the production plant, structural changes in the process, ...).

¹ Suppliers can require to C.F.GOMMA the Form.1qsp.040408, as a support in the proper application of the requirement.



1.4- In order to obtain approval of a product, the supplier must submit the sampling within fixed time and must insert the necessary information in the IMDS system before the sampling elements are sent. The system supplies an unique identification code for each inserted part (IMDS ID / Version number).

1.5- Sampling will be sent with:

- Drawings given by C.F.GOMMA to the Supplier
- Sampling dimensional control results
- Material and performances test results
- Documents concerning the qualified laboratory used
- Control Plan
- D-FMEA (if the Supplier is responsible of design)
- P-FMEA
- Process flow diagram
- Measure System Analysis (Repeatability and Reproducibility studies)²
- Scheme reporting the tooling technical data (weigh, sizes, Mould cavities No.)
- Statistic outcome on process short term Capabilities
- Sample pieces
- PSW coversheet, or equivalent document.
- Identification code (IMDS ID) assigned by the system IMDS when data are inserted

Eventual further specific requirements will be previously agreed between the Supplier and C.F.GOMMA Purchasing Department.

For each characteristic to be tested, the C.Q.C. has to identify the prescribed (UCL and LCL) and obtained results and the traceability of the results with the samples, which have to be numbered.

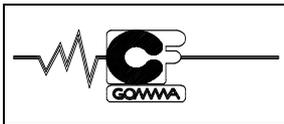
If the necessary equipment is not available to the Supplier for some tests, he writes on the C.Q.C. the external organization that made the tests, attaching in this case the report of the organization itself.

1.6- The Supplier or Carrier goes to the Receiving Clerk with Packing Slip (PS) specific for the sampling, reporting our Purchase order N. and our code (as required by "General Conditions of Supply" reported in N.0.01 Procedure) and the wording "SAMPLES FOR APPROVAL" being well visible.

1.7- On the PS the business name and the registered office of the final destination plant shall be addressed properly:

Example "Ship to":
C.F.GOMMA S.p.A.
Via S. Antonio n. 59
PASSIRANO (BS) – ITALY

² Using Mod.1 QSP04.11.02 – See QSP.04.11.02 Procedure „R&R Study’s guideline”



If there is no packing slip (PS) or if there are no "Ship to" and/or "Destination" on it or they are incorrect, the Receiving department must notify the Accounting department. Accounting must notify the Supplier Accounting department of all changes and shall request a receipt of notification of the issue in writing.

In the meantime, the Accounting department can send via registered mail the changes that are required on the PS. The supplier must then respond to C.F.GOMMA Accounting and Quality departments of their awareness of the problem.

If on the PS the number of order or the material code are missing, the Supplier will receive a letter written by the Incoming Quality Responsible, informing about the anomaly.

If the documentation is correct, samples can be discharged at the Good Receiving Clerk and the Supplier or Carrier may leave the plant, after receiving a copy of the signed Packing Slip.

2) CONFORM SAMPLES

2.1- If characteristics are "Conforming" and the part has been correctly registered in the IMDS system, the Supply's Approval will be sent to the Supplier accompanied by a letter as follows:

Mssrs

.....

The performed control outcomes made on the samples received with PS N. dated are written in the "Sample Control Form" here enclosed.

All the characteristics are conforming and the IMDS ID code..... has been correctly recorded in the IMDS System, That is the reason we issued the SUPPLY'S APPROVAL N. here enclosed.

A controlled element will be filed for possible future objections.

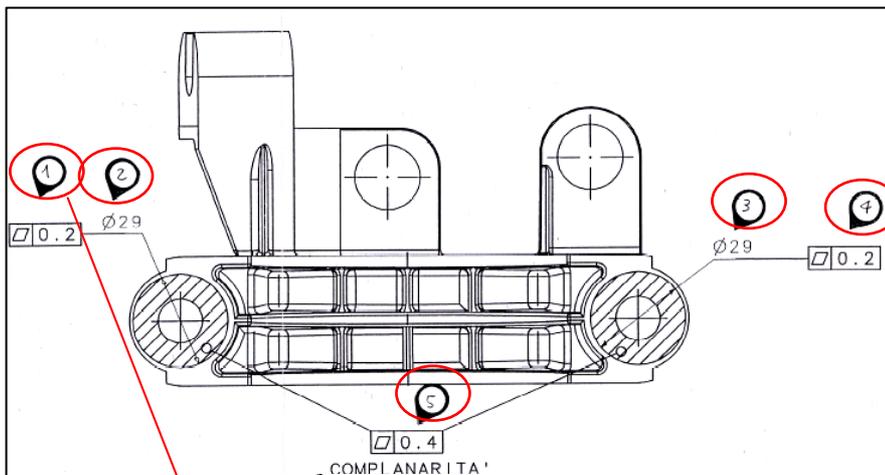
(to be written only if concerning tooling belonging to C.F.GOMMA in future)

Please take notice that, according to our Procedure N.1.17 and to the Supply's Order, it is necessary but not sufficient to obtain a positive outcome for the Approval's File to start the tooling certification file; this is possible only after ALL the requested documents are sent.

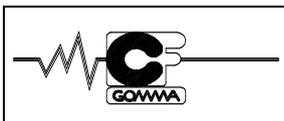
Until today the documents in our hands are the following:

- | | |
|--|------------|
| ◇ Drawings given by C.F.GOMMA | <Yes> <No> |
| ◇ C.Q.C. containing the checked characteristics and the obtained outcomes | <Yes> <No> |
| ◇ Control Plan | <Yes> <No> |
| ◇ DFMEA or/and PFMEA | <Yes> <No> |
| ◇ Process Flow Diagram | <Yes> <No> |
| ◇ Measurement System Analysis (R&R Studies), according to the QSP 04.11.02 procedure | <Yes> <No> |
| ◇ Two copies of the Photograph of the tooling | <Yes> <No> |
| ◇ Scheme reporting tooling technical data (weight, dimensions, N. cavities) | <Yes> <No> |
| ◇ PWS (Part Submission Warrant) coversheet | <Yes> <No> |
| ◇ Statistical process outcomes according to § 10 | <Yes> <No> |

NOTE: as far as dimensional tests verifications are concerned, the Supplier reports on the drawing the link between dimensions to be controlled and the relative recorded measures in the CQC. Example:



T		SAMPLING DIMENSIONAL REPORT				N° Rapporto 02/059				
		Numero Disegno 3421100				Foglio n° 1 di 3				
Articolo FLANGIA		Peso (g.) 716								
N°	Zona Disegno	Criterio rilievo	Quota Nom.	Toller. Nom.	Quote rilevate			Esito		Riferimento per note
					Figura n°	Figura n°	Figura n°	si	no	
1	VISTA ANTER.	TRI	0,2		0,040			X		
2	"	"	29		QUOTA DI RIFERIMENTO			X		
3	"	"	29		"			X		
4	"	TRI	0,2		0,044			X		
5	"	"	0,4		0,054			X		



C.F.GOMMA Quality Department is still waiting for the requested document or for your written declaration, naming C.F.GOMMA Department with which you got the waive agreement.

Kindest Regards

3) NON CONFORMITY

3.1- If the sampling is "Nonconforming", or the material is not yet recorded in the IMDS System, the Suppliers, if necessary, will be in contacted from the C.F.GOMMA responsible for 1st Samples Approval in order to analyze the causes and define the required Corrective Actions.

NOTE: If C.F.GOMMA Engineering Department decides that samples can be accepted even if some non-conforming characteristics, the Supplier will receive the approval from C.F.GOMMA Supplier Quality Department, accompanied with a letter as follows:

Mssrs

.....

The performed control on delivered sample with PS N..... dated.... is written in sample Control Form here enclosed.

Characteristics resulted non-conforming, about which you have been informed by the Non Conformity Minutes N..... dated, have been carefully evaluated and the Engineering Office decided on its acceptability, upon their modification on our drawing. The Control Methods department will modify, in consequence, the Control Cycles and therefore we issued the enclosed Supply approval N..... Every controlled element will be registered in our archive for possible future clarification or contention.

Kindest regards

3.3- In case of Not Acceptability, the Supplier will be contacted by C.F.GOMMA Purchasing Department in order to define the date for the new Samples.

3.4- If it is not possible to deliver it at the scheduled time, the Purchasing Office will inform the Supplier and the Administrative Accounting, about the charge for the expenses pertaining to production delay due to delay in receiving samples.



4) EQUIPMENT INVOICING AND PAYMENT

4.1- If the tooling will belong to C.F.GOMMA in future, when the Supplier receives the Supply's Approval and before issuing the invoice, he/she will make in contact with the Administrative Property Office to verify the realized and/or modified tooling.

4.2- The Administrative Officer in charge will meet the Supplier checking the tooling and taking, at least, 2 photographs of it.

4.3- During the visit there will be the gathering of final technical data (weight, dimensions, capacity, scheduled life etc.) and the evaluation of the congruity of originally requested value, arranging the final value.

4.4 – When the development of tools is in charge to an external supplier, it must send to CF Gomma over what required in the paragraph 4.5 also the drawings of the tools or the project schema.

4.5- At the end of the visit tooling Certification Minute (Form 134) will be drawn up stating:

- | | |
|--------------------------------------|----------------------|
| - Minute N. | - Tooling dimensions |
| - Date | - Weight |
| - Supplier Code | - N. of cavities |
| - Supplier Business name | - Elements N. |
| - C.F. GOMMA Identification N. | - Capacity |
| - Project N. | - Scheduled Life |
| - Product Code | - Needed power |
| - Tooling supply's order N. and date | - Absorbed power |
| - Product Name | - Air Absorption |
| - Supply's Approval and date | - Water cooling |
| - Tooling description | - Order Amount |
| - Machinery Used | - Arranged Amount |
| - Linked Tooling | - Notes |

The Minute will be signed by the Administrative Officer in charge and by the Supplier. A copy of the Minute will be delivered to the Supplier and a copy will be sent to the Purchasing. The Supplier will be asked to sign the Free Loan Minute.

4.6- In case of a not relevant modification the Administrative Officer in charge will take 2 photographs and the technical data and will draw up the tooling Certification Minute (Mod.134).

4.7- The Administrative Officer in charge will ask the Purchasing Office to modify the Order if the amount is reduced compared to the arranged one.



- 4.8- The Supplier have to keep updated and available the C.F.GOMMA tooling drawings archive.
- 4.9- The invoice can be issued only when the tooling Certificate Minute is signed. The invoice will contain the Cost Accounting, the order and project numbers. Every invoice that does not contain these elements will not be paid.

5) SUPPLIER'S RESPONSIBILITIES

- 5.1- The Supplier commits to guarantee the quality targets (ppm) defined in the Purchasing Contract and attests to know both applicable laws requirements and C.F.GOMMA Group Supply General Conditions.
The Supplier needs to have at his disposal a suitable organization (contact list) in order to guarantee the conformity of the supplied product and every single prescription regarding quality and reliability requested by C.F.GOMMA.
- 5.2- The Supplier's Quality System has to be ISO9001:2000 or ISO/TS16949:2002 certified.
If the supplier is going to be certified, it has to formally communicate the scheduled certification due date to the C.F.GOMMA Purchasing Department.
Those Suppliers which have not yet planned to get their Quality System certification have to define and formally communicate to C.F.GOMMA Purchasing Department a plan to reach the goal within year 2006 (IATF Guidance to ISO/TS16949:2002).
- 5.3- The Supplier needs to have written and updated prescriptions concerning the assurance of C.F. GOMMA Quality and Reliability requirements (structural drawings, Routings and Control Plan, material specifications, testing reports, documentation proving the performed controls etc.).
- 5.4- The Supplier will file the technical documentation received from C.F. GOMMA Purchasing Office. According to the documentation received, the Supplier will update the internal documents used in his Quality Management System. The Supplier, except for the carrying out of the order, is not allowed to send or to let use C.F. GOMMA technical documentation to others without a written permission from C.F. GOMMA. The Process Engineering Office, the Quality Office, the Quality Control and the Supply Quality engineer are at disposal for all the information or explanations regarding drawings, rules, working technologies, equipment, control means and modalities.
- 5.5- The Supplier will guarantee the possibility to visit and inspect the documentation stating supplying quality and reliability.
- 5.6- The Supplier needs to have at his disposal means of production, control and testing, in an appropriate quantity in order to guarantee the production volume scheduled and the product quality/reliability requested. The aforesaid means will be verified and calibrated at regular intervals, according to a scheduled maintenance / calibration



program. The Supplier will guarantee the availability of any C.F. GOMMA employee to visit and inspect, upon notice of visitation.

5.7- The Supplier will define and arrange with the Quality Control Methods Office the Control Plan carried out on the products and on the processes, highlighting the characteristics checked by external Organizations or Laboratories.

5.8- The Supplier will use and keep carefully the means of production, control and testing on free loan from C.F.GOMMA keeping them constantly efficient by means of maintenance and avoiding to transform or modify them without a previous permission from C.F.GOMMA. If the conditions of the means of production, testing or tests cause the imperfection of the product that they manufactured or tested, the Supplier will inform immediately C.F. GOMMA Quality Suppliers Office and Purchasing Office in order to receive instructions concerning the actions to take.

6) PRODUCT TRACEABILITY

6.1- The Supplier will use a system able to determine the raw materials and semi-finished product identification stocked in its storehouses.

6.2- The Supplier will use a system able to determine "Conforming" and "Not Conforming" product identification during the whole production cycle.

6.3- The Supplier will use a system able to locate the finished and approved product.

6.4- The Supplier will send the goods attaching the "Product Identification Card" on each container of the shipment; the card it will show the number of pieces contained, the item code, the Conformity and Quality Certificate reference number, the quantity of its homogeneous batch and the date.

The Supplier, besides, will write the following supplementary prescribed indications on consignment documents (Packing slip, Product Identification Card and C.Q.C.).

Cases to point out with supplementary indication

Sampling

First batch of production

1st Batch of modified product

Wording to write on documents

Samples for Initial samples

Pre-series

Modification

6.5- The Supplier will follow the methods of product marking described on the technical documentation and/or on the purchasing order.

6.6- The Supplier will use an identification system able to identify the date when the change has been introduced in the product and/or in the production process. The supplier will notice the modified product with the proper wording. The Supplier is responsible of possible losses or damages for C.F.GOMMA due to changes introduced without the permission of the Purchasing Office.



7) SUPPLIER QUALITY

7.1- Every batch of product forming the supplying will be subjected to quality verification. Batches must be made of "conforming" product, i.e., coming from a production process "in control" and subjected systematically to conformity verification.

The Supplier will be responsible for these verifications, he/she will state the conformity of the product to prescriptions and certify the quality, by means of the C.Q.C., (to the C.Q.C. will be enclosed a copy of test reports). C.F.GOMMA Incoming Quality Control Office may refuse the whole batch delivered if there is a non conformity according to the prescribed technical specifications.

In this case C.F.GOMMA Purchasing Office will intervene with the actions described in Procedure N.0.01.

7.2- On each collecting mean will be attached a product identification card showing the Supplier Code, C.F.GOMMA item code, the Order N., the contained quantity, the PS N., the homogeneous batch quantity and the date.

In case of a product subjected to expiry date, the Supplier will indicate, on the product identification card, the date when the batch of the supplied product was produced.

7.3- The Supplier is responsible for the quality of products purchased from Sub-suppliers or given to them to be transformed or treated. He/she will follow a detailed documentation concerning acceptance controls with their Control Plan.

7.4- The Supplier will record appropriately the outcomes obtained using specific Control Plan pertaining its production and the ones of its Suppliers and it will keep the records for, at least, 15 (fifteen) years for safety products, unless there is a different prescription indicated on the purchasing order. This documentation will be available for C.F.GOMMA, on request.

7.5- The Incoming Quality Control office will communicate the non conformities noticed on supplied products with a "Non Conformity Minute" and will inform the Supplier, the Purchasing Office and the Supplier Quality Control Methods Office.

7.6- The Supplier will solve the Non Conformities giving a written report of the adopted measures stating:

- The cause of the non conformity
- The corrective action
- The date of corrective actions end.

With the consignment of the 1st non conforming batch the Supplier will send a C.Q.C. containing, the prescribed data, the type and frequency of control made on products and the adopted criteria to verify the conformity of the batch, subdued to Non Conforming, and to define the homogeneity.



7.7- In case of Non conformity communicated to the Supplier (by Telex, Fax, Phone Calls, or e-mail) before the "Non Conformity Minute", with the first batch of product delivered the Supplier will deliver the C.Q.C. filled in with the criteria described in the procedure.

7.8- C.F.GOMMA Incoming Quality Control Office updates the Statistics of Supplier Quality. The dispatch to the Supplier is carried out periodically and the document will show following the code, with annual progressive number, the delivered quantities, the accepted quantities, the returned ones and, the rejected ones.

8) SUPPLIERS in CONTROL DELEGATION STATUS (FREE-PASS)

C.F.GOMMA policy regarding its Suppliers is to prefer the ones having Free-pass Status.

With „Free-pass Status” of a Supplier / item we mean the formal recognition accorded by the Supply Quality engineer of C.F. GOMMA to the Supplier which is able to guarantee the stability of its product / process and its capacity to manage adequate documentation required by C.F. GOMMA procedure.

Always following the requirements and responsibilities of the Supplier, see Chap. 5, the batches supplied by Suppliers in Free-pass Status are immediately sent to C.F.GOMMA production lines without any incoming control and will be subjected periodically to Audit.

8.1 *Conditions for the grant of Free-pass Status*

Free-pass Status to the Supplier is granted in one of the following two cases:

SITUATION A:

- International Supplier Leader and supplying of, at least, 6 consecutive batches without quality problems;

SITUATION B:

- Satisfactory outcome of the Production Process Audit (VPP) and supplying of, at least, 6 consecutive batches without quality problems

8.2 *Grant of Free-pass Status*

The Supply Quality engineer, followed the requirements described in 8.1, in the scheduled cases, will make in contact with the Supplier in order to forward a suggestion of Free-pass Status (see letters, pages 24 – 25 - 26) that must be returned by the Supplier in case it is accepted and signed.

9) MEASURES taken for QUALITY and LOGISTIC insufficient PERFORMANCES

- 9.1- If the "Quality and / or Logistic Performances" of the delivered product is insufficient, C.F.GOMMA Purchasing Department will adopt the appropriate actions (warning letter, summon of the Supplier, quality technical inspection at the Supplier', charges, supplying product reduction etc.).
- 9.2- The Purchasing Department in charge will summon the Supplier pointing out the subjects to be treated, previously shared with the Group Purchasing Direction. The Supplier, the Purchasing Department officer in charge, the Incoming Quality Control, Supplier Quality Office in charge and Logistic Responsible will attend the meeting.
During the meeting a minute concerning the treated subjects and the agreed measures will be drawn up. The Supplier will have to define and formalize an Improvement Plan, share it with C.F.GOMMA and underline the undertaken measures, within the decided terms.
- 9.3- For the Suppliers with Free-pass Status, if during the supplying and/or during recurrent quality Audits a non-conformity emerges, the Quality Service, because of the importance of the problem, will verify the opportunity for a suspension of Free-pass Status condition for the Supplier/item code. The suspension of Free-pass Status will influence the global evaluation of the Supplier and the consequent choices of C.F.GOMMA Purchasing policy.

10) CHARACTERISTICS CLASSIFICATION AND STATISTICAL PROCESS CONTROL

The Supplier is asked to send statistical elaborations for those characteristics considered particular, reported in the drawing or in the Control Plan.

The following table reports the minimum compulsory controls about those particular characteristics identified on the drawing or in the Control Plan. These controls can be strengthened according to specific C.F.GOMMA requests or if regulated by standards of the final Customer.

CORRELATION MATRIX - C.F. GOMMA & CUSTOMERS SYMBOLS

	Nr.	Characteristics	Definition	Capability calculation (*)		C.F. GOMMA	GM Fiat	QS-9000 Big Three	RENAULT	PSA	GKN
				Pp / Ppk	Cp/Cpk						
STANDARD	1	Secondary	It is a product characteristic or a process parameter, whose foreseen variation is unlikely to have a significant effect on the product security, the governmental regulations observance, functional bonds.	Nothing	Nothing	-	-	Nothing	Nothing	Nothing	Not defined
	PARTICULAR	2	Significant	It is a product characteristic or a process parameter, whose possible variation is reasonably likely to have as a consequence the Customer dissatisfaction about the product (without any influence on the security /governmental regulations observance) and its adequacy, functionality, assembly, aesthetic aspect, the ability of product processing or realising.	≥ 1.33	Nothing	+	+	◇	Not defined	CTFE
Special		Critical	It is a product characteristic or a process parameter, whose foreseen variation is likely to have a significant effect on the product security or on the governmental regulations observance (such as inflammability, passenger protection, steering-gear control, braking system, ...), of emissions, noise, radio frequency, interferences, ...	≥ 1.67	≥ 1.33	C	Q	▽	Not defined	CTFE	⊕
		Special	≥ 1.67	≥ 1.67	S	D	⊕	(m) ⊕ ^S	(t) ⊕ _R	⊕ ^S _R	Not defined

(*) = These SPC rules have to be considered if no other Customer specific requirements exist

NOTES: 1= STANDARD CHARACTERISTICS

2= PARTICULAR CHARACTERISTICS

(*)= These SPC rules are to be considered if there are not any final Customer's specific requirements.



During the Mass Production supply, the Supplier is asked to respect the particular characteristics through their periodical monitoring, at least once a year. Records of statistical elaborations and process data must be guaranteed by the Supplier and sent periodically to C.F.GOMMA, or made available if requested.

Chapter B) ACTIVITIES PERTAINING C.F.GOMMA

1) SAMPLES ORDER ISSUE for SUPPLY APPROVAL

1.1- In case of tooling payment agreement, before the BF Order (Initial samples Purchase order) issue, the C.F.GOMMA Purchasing Office issues a regular Sampling Order (on the pertaining Plant "BF" Storehouse), reporting delivery times and quantity of elements constituting the sampling.

Before that, it is necessary to agree with the Administrative property Office upon the documentation, excluding, if necessary, one of the following:

- two photographs of used equipment
- form reporting the technical data of tooling (e.g. weight, sizes, mould cavities No., ...)

2) SAMPLES RECEIVING for the SUPPLY APPROVAL

2.1- C.F. GOMMA Plant Receiving Clerk will check that in the Packing Slip "Destination" field the name of their Plant is written.

Example "Destination":

C.F.GOMMA S.p.A.

Settimo T.se Plant

Via Torino, 91

10036 Settimo T.se (TO) – ITALY

If there is no Packing Slip (PS) or if there are no "Ship to" and/or "Destination" on it or they are incorrect, the Receiving Clerk must address the Accounting Office. The latter makes the Carrier note the change of the receiver and of the destination Plant on the PS and he/she asks him/her to sign the changes.

In the meantime, he/she orders the Supplier through registered mail to do the changes as afore said, sending a photocopy of the modified PS.

2.2- The Receiving Clerk verifies according to the received instructions and if everything is in order, he/she sends the Supplier or the Carrier to the Receiving Goods.



2.3- The Goods Receiving Clerk in charge, using the following program "SUPPLIER RGD PRINTING" keys the following data:

- PS N. and date
- Material Code
- Order N.
- Declared quantity

and gives his agreement to the Printing of the Receiving Goods Document (RGD).

2.4- If on the PS the number of order or the material code are missing, the Goods Receiving Clerk in charge will ask the Purchasing Office for the appropriate actions. If the order is correctly keyed and the Supplier made a mistake, the Purchasing Office will tell the Goods Receiving Clerk in charge of the N. of the Order and/or the correct material code and the entry can be done.

The Goods Receiving Clerk in charge will send a letter to the Supplier informing the anomaly, a copy of the letter will be given to the Purchasing Office .

2.5- On the RGD will be printed the following information:

- RGD of the Good N. and Date
- Order N.
- Material Code
- Description
- Code and Business Name of the Supplier
- Measurement Unit
- Ordered Quantity
- Requirement Date
- Quantity declared on Packing Slip
- PS N. and Date
- Possible details in Supplier's order lines

2.6- The Goods Receiving Clerk in charge turns out and signs the RGD of the goods, and he attaches it to the copy for the Receiver of the PS.

2.7- The Goods Receiving Clerk in charge keys the system the data for the storehouse load using the following program "IM- Elaboration-Transactions Description RP".

As soon as the storehouse is charged the Supply Quality Statistics, the Invoice Control data and the printing of the location label containing the Storehouse (BF), the Storehouse location, the date of the Movement, the Material code, the number of pieces contained in the box, the traceability code (RGD N.) are updated.

2.8- The Goods Receiving Clerk in charge labels the box and prints the list of locations used.

2.9- The Goods Receiving Clerk in charge approves the RGD and releases the Carrier or the Supplier keeping the documents for our use.



- 2.10- The Goods Receiving Clerk in charge puts the box in the location indicated by the label (special Quality shelf) and gives the documents and the list of locations to the Suppliers PPAP Approval Officer in charge (BF).
- 2.11- The Suppliers PPAP Approval Officer in charge (BF) takes the box and the Item file containing the detail drawing.
- 2.12- The Supplier PPAP Approval Officer will test every characteristic of the pieces indicated in the design, filling the Sampling Control File.
If external tests need to be carried out, pieces will be delivered to the Goods Receiving Clerk in charge to be sent to the external Laboratory with the modality described in the Procedure N.0.10.
The external Laboratory will send the outcome documents with or without giving back the pieces (following the modality described in the Procedure N.0.10).

3) CONFORMING SAMPLES

- 3.1- If characteristics are "Conforming" and the part has been correctly registered in the IMDS system, the Suppliers PPAP Approval Officer in charge will fill in the Supply's Approval and he will send it to the Supplier, the Purchasing Office, the Process Engineering Office and to the Administrative Property Office (if the tooling will belong to C.F.GOMMA in future), and he/she will record the Approval, the covering letters and the documents received from the Supplier in the Item file at the Quality Office.
If the item dimensions allows it, the sample piece, labeled with a special card containing SUPPLY APPROVAL Nr. will be attached to the notice board of its market class.
- 3.2- When the control is finished, the Suppliers PPAP Approval Officer in charge, using the program "INCOMING QUALITY" keys the N. of the Goods RGD (Traceability Code).
As soon as this element is keyed the Testing Cycle needed for mass supplying will be displayed. Suppliers PPAP Approval Officer in charge draws the tooling requested by the Cycle and verifies the validity, keying the data resulted from tests for the requested characteristics.
During this operation, the Suppliers PPAP Approval Officer in charge, or his/her appointee, fills in the Form 164 „Sampling Control Form” reporting:
- ITEM Nr. (quantity)
 - Drawing code and last change LEVEL
 - Functional class
 - RGD No.
 - Characteristics on the drawing
 - Characteristics classification
 - Foreseen drawing limits



- Test results (DN= measure quoted in the Suppliers' CQC; RS= tested measure)

If measures are conforming, he assigns the Supply's Approval and reports date and signature.

- 3.3- The Suppliers PPAP Approval Officer in charge, using the TESTING CYCLE MANAGEMENT AS400 application, estimates congruity and validity of Cycle, tooling and of the possible improving proposals and approves the Cycle using the INCOMING QUALITY MANAGEMENT AS400 application. The Suppliers PPAP Approval Officer in charge will charge the system with data obtained during the tests of materials following the modalities needed by the Supply Deliberation Cycle using the tooling indicated and recording data needed by itself.
- 3.4. When it is necessary, some elements of sampling will be delivered to the Process Engineering Office for the tooling functional test and/or for their setting up.
- 3.5- Suppliers PPAP Approval Officer in charge will fill in the RGD writing in the box „Quantity to be paid” the counted quantity, he/she approves it and send the RGD and PS to the Accounting for Invoice Control according to the modalities described in Procedure N.0.11.
- 3.6- Suppliers PPAP Approval Officer in charge, using the program "IM- Elaboration- Transactions- Description IW" will key the product code, the location used, the location quantity and the N. of the RGD and Cost Center. of Suppliers PPAP Approval Office. As soon as the element is keyed, BF Storehouse and list of locations are discharged.

4) NON CONFORMING SAMPLES

- 4.1- If the sampling is "Nonconforming", or the material is not yet recorded in the IMDS System, the Suppliers PPAP Approval Officer in charge fills in the Form 164 with the negative outcome, date and signature and using the program "TESTING MINUTES REVIEW", issues the "Non Conformity Minutes", indicating those characteristics that are off limits / failed record in the IMDS System.
A copy of the Minute will be given to the Engineering office, to the Purchasing Office and will be filed in the Item file.
- 4.2- The Supply Quality engineer will intervene, according to the need, at the Supplier's to verify the causes and the corrective actions to undertake. In case of „Nonconforming” sampling, the Purchase Office will contact the Supplier to define the new samples return delivery date.
- 4.3- - The Suppliers PPAP Approval Officer in charge will summon a meeting with the technical Services/Direction. During the meeting the characteristic resulted non-conforming will be analyzed and the acceptability or not of the sampling will be decided according to verification performed by the Supply Quality engineer.



- 4.4- In case of acceptability, Engineering will modify the drawings, while the Quality Control Methods Office will modify the Control Plan. Receiving new drawings, the Suppliers PPAP Approval Officer in charge will fill in the Supply's Approval and will send it to the Supplier, to the engineering office and to the Purchasing Office and if the tooling will belong to C.F. GOMMA in future, to the Administrative Property Office.
- 4.5- The Sample Control Form, the copy of the Communication sent to the Supplier, the Non Conformity Minutes, the Supply's approval and the accompanying letter will be inserted in the suitable Item file, together with the updated documents described in the previous point 1.5 (page 5).
- 4.6- Suppliers PPAP Approval Officer in charge fills in the RGD writing on the box „Quantity to be paid” the counted quantity, he approves and send the RGD and the PS to the Accounting for the Invoice Control, according to modalities described in Procedure N.0.11. Suppliers PPAP Approval Officer in charge will send the photographs, the files containing technical data and structural drawings to the Administrative Property Office.
- 4.7- As soon as the control has come to an end, Suppliers PPAP Approval Officer in charge, using the program "INCOMING QUALITY" keys the N. of the RGD (Trace ability Code).
As soon as the element is keyed the Testing Cycle for mass supply is displayed.
Suppliers PPAP Approval Officer in charge will draw the equipment needed for the Cycle and will verify the validity of it, typing data obtained from the control of requested characteristics.
- 4.8- Suppliers PPAP Approval Officer in charge will input data obtained during the material control according the modalities described in the Supplier's Approval Cycle, using the tooling indicated and recording data described in it.
As soon as the input has come to an end, Suppliers PPAP Approval Officer in charge verifies the congruity and validity of the Cycle and of the tooling and the possible improving suggestions.
- 4.9- Suppliers PPAP Approval Officer in charge, using the program "IM- -Elaboration- Transactions-Description IW", keys the product code, the location used, the location quantity, the RGD N. and the Cost Center of Suppliers PPAP Approval Office.
As soon as these elements are keyed the BF Storehouse and the list of locations are discharged.
- 4.10- In case of Not Acceptability, decided in the meeting, Suppliers PPAP Approval Officer in charge will fill in a RGD writing zero in the box „Quantity to be paid”, he/she will approve and send it to the Accounting for the invoice control, writing on the Notes the sum to charge the Supplier for the hours needed for the sampling testing, inspection and meeting.



- 4.11- Suppliers PPAP Approval Officer in charge, using the program "RGD Review", keys the RGD N. (Traceability Code) and the Non Conforming quantity.
As soon as these elements are keyed the Supply Quality Statistics is updated and this allows the preparation of the Invoice Control data following the modalities described in Procedure N.0.11.
- 4.12- As soon as control comes to an end, Suppliers PPAP Approval Officer in charge, using the program "INCOMING QUALITY" keys the RGD N. (Traceability Code).
As soon as the element is taped the Testing Cycle for mass supplying will appear.
Suppliers PPAP Approval Officer in charge will draw the control equipment defined in the Cycle and will verify their validity, inputting data examined for the requested characteristics.
- 4.13- Suppliers PPAP Approval Officer in charge will input data verified during material control following modalities scheduled in Control Cycle using the suitable equipment and recording the data.
As soon as the input is done, Suppliers PPAP Approval Officer in charge verifies the congruity and validity of the Cycle and of the control equipment and the possible improvement suggestions.
- 4.14- Suppliers PPAP Approval Officer in charge, using the program "IM-Elaboration-Transactions-Description SS", will input the non conforming product code, the location used, the location quantity, the RGD N. and the Cost Center of BF Organization. As soon as these elements are keyed BF Storehouse and list of locations are discharged.
- 4.15- The Purchasing Office will contact the Supplier, will settle the new delivery date of the sampling conforming to what already communicated by Suppliers PPAP Approval Officer in charge and will update the order made for the Supplier.
- 4.16- If it is not possible to deliver it at the scheduled time, the Purchasing Office will inform the Supplier and the Administrative Accounting, about the charge for the expenses pertaining to production delay due to delay in receiving samples.



5) EQUIPMENT INVOICING AND PAYMENT

5.1- If the tooling will belong to C.F.GOMMA in future, when the Supplier receives the Supply's Approval and before issuing the invoice, he/she will make in contact with the Administrative Property Office to verify the realized and/or modified tooling.

5.2- When the Administrative Property Office receives a request from a Supplier, it will gather the needed elements and documents from the Departments (Order, tooling details, etc.).

5.3- The Administrative Officer in charge will meet the Supplier checking the tooling and taking, at least, 2 photographs of it.

5.4- During the visit there will be the gathering of final technical data (weight, dimensions, capacity, scheduled life etc.) and the evaluation of the congruity of originally requested value, arranging the final value.

5.5- At the end of the visit tooling Certification Minute (Form 134) will be drawn up stating:

- | | |
|--------------------------------------|----------------------|
| - Minute N. | - Tooling dimensions |
| - Date | - Weight |
| - Supplier Code | - N. of cavities |
| - Supplier Business name | - Elements N. |
| - C.F. GOMMA Identification N. | - Capacity |
| - Project N. | - Scheduled Life |
| - Product Code | - Needed power |
| - Tooling supply's order N. and date | - Absorbed power |
| - Product Name | - Air Absorption |
| - Supply's Approval and date | - Water cooling |
| - Tooling description | - Order Amount |
| - Machinery Used | - Arranged Amount |
| - Linked Tooling | - Notes |

The Minute will be signed by the Administrative Officer in charge and by the Supplier. A copy of the Minute will be delivered to the Supplier and a copy will be sent to the Purchasing. The Supplier will be asked to sign the Free Loan Minute.

5.6- In case of a not relevant modification the Administrative Officer in charge will take 2 photographs and the technical data and will draw up the tooling Certification Minute (Mod.134).

5.7- The Administrative Officer in charge will ask the Purchasing Office to modify the Order if the amount is reduced compared to the arranged one.



5.8- The Administrative Officer in charge will ask to force the print of the RGD. On the RGD will appear the following information printed:

- RGD N.
- Order N.
- Material Code
- Description
- Supplier's Code and business name
- Measurement Unit
- Ordered Quantity
- Requirement date
- Possible details in Supplier's order lines
- Note for forcing

5.9- The Administrative Officer in charge will charge the verified quantity, using the AS400 application "NON CODED INCOMING GOODS MOVEMENTS INPUT".

As soon as the charge is done the order will be discharged and the data for Industrial Accounting and Invoice control will be updated.

5.10- The RGD will be signed by the Managing Property Responsible, filled in with the quantity to be paid and sent to the Administrative Accounting for the Invoice control following the modalities described in Procedure N.0.11.

5.11- The Administrative Officer in charge will start the procedure of free loan following the modalities described in Procedure N.0.24.

5.12- The Managing Property Responsible, using the AS400 application "TOOLINGS MASTER FILE MANAGEMENT", will key the technical and free loan data and will end the project.

5.13- The Administrative Officer in charge will file the Property folder, enclosing the tooling Certification Minute, the photographs, the order according to what defined in the Procedure Nr. 0.20. The Supplier keeps updated and available the C.F.GOMMA tooling drawings archive.

5.14- The invoice can be issued only when the tooling Certificate Minute is signed. The invoice will contain the Cost Accounting, the order and project numbers. Every invoice that does not contain these elements will not be paid.



**6) Management of CHARGES to SUPPLIERS for QUALITY and LOGISTIC
insufficient PERFORMANCES**

- 6.1- If such problems occur that a charge to suppliers is required, the Quality Control Department and Logistic have to submit the charge proposal to the Nation Purchasing Department, which is in charge to evaluate with the petitioner Department Responsible how to manage the situation. Each charge matter has to be closed within 30 calendar days.
- 6.2- If the Purchasing and the petitioner departments do not find an agreement and / or the charge matter is not closed in the defined period, the petitioner Department will contact the Nation Industrial Operations Manager, who is in charge to evaluate the situation, involving the Purchasing Manager and, in special circumstances, the Group Industrial Operations General Manager for the final decision.
- 6.3- If the charge is authorized, the Nation Purchasing Responsible will submit the costs to the Supplier, informing the C.F.GOMMA Suppliers Accounting Department about the amount.
- 6.4- Industrial Accounting will charge on the Profit and Loss Account the charge amount in the line "Ricavi sperimentali e vari" (experimental and various proceeds).

Messrs.....

Re: "Free Pass" status for purchased parts

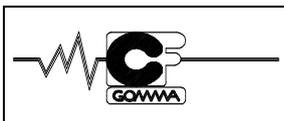
Following your present quality standard and our agreement, we are glad to inform you that, conforming to C.F.GOMMA procedures, we accord to your Company the Free Pass status.

Starting from your batches will be immediately sent to production lines and will be subjected to regular Audits.

We are enclosing the following documents "FREE PASS STATUS Nr." and "REFERENCE LIST OF FREE PASS Nr." that we signed and must be returned with your signature.

Kindest regards.

QUALITY
DEPARTMENT



FREE PASS STATUS Nr.

Our Company will accord to "Free Pass Status" for items listed in the enclosed "Reference List".

We would like to draw your attention on the fact that batches in Free Pass will be directly sent to production lines, on that account, possible non conformities will not be noted before the manufacturing.

The reaction of is due to be immediate in order to avoid to interrupt the production flow.

Besides, we inform you that:

- your control outcomes must be correctly filed and available for our possible request for consultation;
- our Purchasing and Quality Management must be informed about everything concerning modifications made on our pieces (materials, processes, sub-suppliers, manufacturing plant etc.) and on every accident that can influence the quality of consignments.

SUPPLIER

**QUALITY
DEPARTMENT**

(return a copy with Supplier's signature)



FREE PASS REFERENCE LIST Nr.

C.F.GOMMA accords to your Company the "FREE PASS STATUS" for the following items:

This "FREE PASS STATUS" will be valid starting from

SUPPLIER

**QUALITY
DEPARTMENT**

(return a copy with Supplier's signature)



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