



# NEXTEAM GROUP QUALITY REQUIREMENTS

NXT-I-04-004

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## OBJET ET CHAMP D'APPLICATION

This document applies to all Suppliers of goods and/or services whose performance has an impact on the quality of products delivered by NEXTEAM Group to its clients.

Any acceptance by the Supplier of an Order referring to this document constitutes acceptance of its contents. Any possible deviation in the scope of application must be the subject of an agreement signed jointly by NEXTEAM Group and the Supplier.

Terms used in this document are defined in the Terms and Conditions of Purchase, which also form an integral part of the Order.

In this document the term Final Product has the same meaning as the term Result of the Order and the term Entrusted Product the same meaning as Entrusted Good. The term NEXTEAM GROUP must be understood like NEXTEAM GROUP or any subsidiary company of NEXTEAM GROUP.

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## GESTION DES EVOLUTIONS

Ind	Date	Par	Objet
A	11/07/2014	BORZEIX	Creation
B	10/11/2016	BORZEIX	Update follow Asquini MGP comments
C	21/09/2017	BORZEIX	General Terms and Conditions of Purchase creation
D	27/07/2018	BORZEIX	Integration of Nexteam plant requirements
E	25/03/2019	BORZEIX	Integration of New Nexteam plant requirements

Approbation :  
 Date : 25/03/2019  
 Visa :

### 1. Supplier obligations

The Supplier undertakes to supply the Works and Results in strict compliance with the Order submitted by the NEXTEAM group company in order to achieve full compliance with these technical and quality requirements, the General Terms and Conditions of Purchase and other clauses of the Order placed by NEXTEAM GROUP, even after delivery.

The Supplier is therefore fully liable for all the Works and/or Results provided. Any handing over by NEXTEAM Group of production and/or inspection documents, tools or any other assistance are intended to assist the Supplier in carrying out the Works and Results and shall not diminish the Supplier's liability under any circumstances.

### 2. Materials

In the case the material is supplied by NEXTEAM GROUP, the Supplier is responsible for the supplied materials and must ensure:

- Traceability with the manufacturing order issued by NEXTEAM Group,
- Storage,
- Conservation,
- Isolation (limited access, avoid any intermixing with other clients).

It is strictly forbidden for the Supplier to obtain supplies of replacement materials or to change the use of such materials for any reason whatsoever, unless it has obtained NEXTEAM Group's written agreement

### 3. Orders

**Acceptance of the order** : The supplier must realize an Acknowledgement of Receipt (« AR ») as stipulated by the « GTCP ». The communicated delivery time in this AR is a commitment from the supplier.

**Order review** : The supplier must practice an exhaustive order review. He has the responsibility to ask to the concerned buyer of NEXTEAM GROUP, the specific documents when ordering, or in applicable documents, when he does not have them at the current index.

**Order follow-up** : The Supplier must interact effectively with NEXTEAM GROUP as part of the processing of the Order. In the event of a delay, the Supplier must immediately inform NEXTEAM GROUP and not wait for the delivery date agreed on the Order, in order to anticipate and minimize the delay.

**Long term commitment**: Any definition of firm, flexible and/or forecast period will be the subject of a contract between the parties.

### 4. Realization

In the case of an offload Order, the Supplier may not subcontract (except with the formal agreement of NEXTEAM GROUP).

In the case of a normal Order, the Supplier is authorized to subcontract the special processes and NDT to subcontractors approved by the Final Recipient and by the company of the NEXTEAM GROUP group, if applicable, the NEXTEAM GROUP order requirements must be communicated and applied by the subcontractor concerned.

In the case of NEXTEAM GROUP's loan of manufacturing and control equipment, the Supplier

undertakes to ensure their preservation and identification until their return.

The Supplier must notify NEXTEAM Group of any changes in the technical documents submitted for validation by the Client or the Final Recipient.

As part of the obsolescence management, the Supplier must inform NEXTEAM GROUP at least 6 months in advance of the scheduled shutdown of its productions.

All the production and inspection stages for a product must be formalised in a trace file or a manufacturing sequence.

The system implemented by the Supplier must guarantee the identification and traceability of the Works and Results, during their manufacture and throughout their lifetime, as well as the persons and means used.

The quality of the Works and Results must be ensured by optimal protective conditions:

- Warehouse storage (separating and identifying all items in the warehouse),
- Workshop handling (protection and identification of pending projects),
- Corrosion prevention during inter-operational activities using a certified product

Titanium and titanium alloy products must be machined using a cutting oil that does not contain chlorinated solvents or qualified by the End Customer.

It is prohibited to use abrasive grinding wheels for deburring and angle breaking on titanium and titanium alloy parts.

Unconventional machining (for instance: electro-erosion, laser cutting, laser drilling, electrochemical / chemical machining, water jet cutting ...) These kind of products must be authorized by NEXTEAM GROUP before being applied to the ordered products of NEXTEAM group. For this, the supplier must perform a request to the quality department of the NEXTEAM GROUP plant.

### **5. First Article Inspection**

At the beginning of manufacture or in the event of a manufacturing interruption of more than 24 months, the Supplier shall be required to produce a first article inspection ("FAI or DVI") file in accordance with EN 9102. The finished Product representative of the manufactured batch will be 100% inspected and clearly identified / separated at the Delivery.

The contents of the first article file will be communicated by the NEXTEAM GROUP Purchasing contact.

If the Supplier wishes to modify the process by which the Works are prepared, it must notify NEXTEAM Group, which alone may give its consent and possibly ask for a new first article inspection.

For Finished Products with fixed manufacturing route, the Supplier shall in no circumstances make any changes without prior request and agreement of NEXTEAM GROUP.

If the FAI/DVI report is not attached to the delivery in the cases mentioned above, NEXTEAM Group reserves the right to pass on to the supplier the cost of the time spent on checking and recording all the characteristics of a Final Product.

In the event of a production stoppage, a last article review (LAI/DVI) must be carried out at the request of NEXTEAM GROUP. It includes the same content as an FAI.

## 6. Inspections

All the Works and Results delivered by the Supplier must be inspected by the Supplier, in particular upon dispatch and prior to delivery.

The Supplier undertakes to visually inspect 100% of the Finished Products of each lot before delivery. It is reminded of the importance attached by the NEXTEAM GROUP customers to the visual aspect of the product, and the marking of Finished Products.

### Sampling inspection

The Supplier must define and submit for NEXTEAM GROUP validation the inspection procedures during manufacturing and final control of Finished Products.

In case of provisions not validated by NEXTEAM GROUP, and when checks are made by sampling, the sampling rates to be applied are at least the following:

Number of the lot	Quantity to be inspected (according to ISO2859) For tolerances $\geq 0.05\text{mm}$	Quantities to be inspected for tight tolerances ( $< 0.05\text{mm}$ ) OR Key characteristic
2 to 8	2	Inspected dimension on 100% of the parts
9 to 15	3	Inspected dimension on 100% of the parts
16 to 25	5	Inspected dimension on 100% of the parts
26 to 40	8	Inspected dimension on 100% of the parts
41 to 50	8	Inspected dimension on 100% of the parts
51 to 90	13	Inspected dimension on 100% of the parts
91 to 100	20	Inspected dimension on 100% of the parts
101 to 150	20	Inspected dimension on 100% of the parts
151 to 300	32	Inspected dimension on 100% of the parts
301 to 500	50	Inspected dimension on 100% of the parts
501 to 700	80	Inspected dimension on 100% of the parts
701 to 1200	80	Inspected dimension on 100% of the parts
1201 to 3200	125	Inspected dimension on 100% of the parts
3201 to 10000	200	Inspected dimension on 100% of the parts

Examples:

- For a batch from 2 to 8 pieces, if the  $IT \geq 0.05$  then we check 2 parts and if  $IT < 0.05$  (tight tolerance) then we check the whole batch on the analysed dimensions.
- For a batch from 26 to 40 pieces, if  $IT \geq 0.05$  then we check 8 parts and if  $IT < 0.05$  (tight tolerance) then we check the whole lot on the analysed dimensions.

\* IT = tolerance interval

The reference standards used by the Supplier must be set to the reference standards of the BNM (Bureau National de Métrologie - National Metrology Office).

The Supplier must retain all calibration certificates for a period of 10 years.

## 7. Non Conformities

Any non-conformity must be systematically reported in writing as soon as it is detected to the relevant NEXTEAM group company.

Non-compliant Works and Results:

- must not undergo overhaul operations without authorisation.
- must be clearly identified and quarantined until NEXTEAM Group provides instructions to be followed.
- must undergo root cause analysis and be the subject of corrective and preventive actions to ensure that the following deliveries are in compliance.
- If delivery is agreed, non-compliant Works and Results shall be isolated and identified by colour labelling.
- The Supplier must secure its outstandings within 48 hours in order to protect next deliveries.

Scrap parts must be mutilated or destroyed before being scrapped or returned to NEXTEAM GROUP.

Any non-conformities detected by NEXTEAM Group shall be the subject of a Supplier non-conformities report, which must be returned, duly completed, within 2 weeks to NEXTEAM Group.

The reference of this report shall be mentioned on the Delivery Note.

The effectiveness of the corrective actions put in place shall be checked during the next deliveries of the affected Works and Results.

The Supplier must have a restricted and controlled access area for the disputed Works and Results pending decision and a locked area for scrapped products.

### Requests for exemption:

Requests for exemption must be addressed to the quality manager of the NEXTEAM Group site that placed the Order. Parts that have been the subject of an exemption may only be delivered after approval by the NEXTEAM Group Quality Department.

### Disputes:

In the event of a dispute, the Supplier shall be responsible for demonstrating that the Works and Results are compliant and shall bear any expertise and transport costs associated therewith.

## 8. Packaging and delivery

### Packaging :

The Supplier undertakes to always ensure the protection, storage and packaging of Works and Results.

The Supplier must preserve the conformity of the Works and Results from the time of delivery to their acceptance on NEXTEAM Group's premises.

Non-conforming Finished Products that are to be returned to NEXTEAM GROUP will be separated from the compliant Finished Products and marked with a coloured label.

In case NEXTEAM GROUP has authorized the delivery of non-compliant products:

- The concession returned to the supplier must be quoted on the supplier's declaration of conformity and attached to it
- The parts that are the subject to the non-conformity (concession) must be marked on delivery

Wrapping and packaging must be adapted to the dimensions, mass and material grade of the Works and Results to eliminate the risk of scratching, impact, mark and corrosion. Packaging of treated or painted parts shall be chemically neutral.

The blocks packaging must allow handling and storage without special care. The type of pallet must be adapted to the load to be supported. The packaging must be done by heat treatment batch according to the delivery note indications:

- 1 pallet = 1 batch
- Or the batches must be separated from each other by spacers facilitating the identification on the same pallet.

Particular attention must be paid to Works and Results sensitive to corrosion (35NCD16, 4340 steels, aluminium alloys of the 7000 series, etc.). They must be rinsed after machining to remove the contacting cutting fluid and then dried before being protected with a temporary anti-corrosion product and packaged individually in Kraft paper or corrosion inhibiting paper.

The authorised product for temporary corrosion protection of the products will be communicated on request by NEXTEAM GROUP.

If a package contains several batches of parts of the same or different reference (one batch of parts is assigned to each order line), each batch must be packed separately and identified with the part reference and the associated order line number.

The Supplier shall ensure that the documents accompanying the Works and Results are present on delivery and are protected against loss or damage.

Hazardous products, Works and Results must be labelled in accordance with DRT Circular No. 12 of 24 May 2006 and delivered with their safety data sheet.

### **Delivery**

**Upon each delivery**, the Supplier must systematically supply as a minimum requirement:

- a numbered Delivery Note ("DN"),
- a numbered Declaration of Conformity ("DC") in accordance with the NF L 00-015 standard

The DN / DC (which may be the same document) must mention: quantity, designation, OF No, Order No., Batch No. and Serial No. delivered, derogation No if impacted, first article mention etc. It can only affect one purchase order at a time

The Supplier must also provide, depending on the case :

#### For standard products:

- Manufacturer's or producer's analysis report : (Certificate of Factory Production Control for materials) (defines the chemical, metallurgical and mechanical characteristics of material),
- Manufacturer's or producer's DC for other products.

#### For sub-contracting services:

- Manufacturing order or follow-up sheet of the relevant NEXTEAM Group site, completed and signed by authorised personnel,
- DC of the second-level suppliers,
- Inspection report or inspection record,
- Certificate of Factory Production Control for materials if the Supplier has purchased the materials,
- Request / Answer,
- Technical data sheet,
- All other documents requested by NEXTEAM Group.



The residual validity of lifelimited products at the time of their delivery by the Supplier must be at least equal to 80% of the total duration of use guaranteed by the manufacturer.

For products to be stored at a controlled temperature, the means to verify this temperature should be provided.

The Supplier must deliver the quantity of Finished Products ordered for each order line. In the case of a partial or surplus delivery, the Supplier must obtain an agreement from NEXTEAM GROUP prior delivery, followed by a modification of the quantity ordered.

### 9. Archiving

All documents relating to the production of the Entrusted Goods and enabling traceability to be guaranteed, i. e. the manufacturing history (manufacturing and inspection documents, declarations of conformity of purchased products, etc.) must be archived according to the most restrictive requirements of the NEXTEAM Group's customers, so that's the program's lifespan + 6 years).

All quality records must be kept at the disposal of NEXTEAM Group.

NEXTEAM Group reserves the right, if it deems it necessary, to retrieve the documentation relating to the Entrusted Goods (e.g. in the event of discontinuation of business, etc.).

### 10. Supplier organization

The Supplier's quality system must comply with the applicable NF EN 9100 standard requirements, only if its turnover in the aerospace, defense and space sector is greater than 50% of its total turnover.

Otherwise, the Supplier's quality system must comply with the applicable NF ISO 9001 standard requirements.

For storage or distribution activities, the NF EN 9120 standard requirements are applicable.

The Supplier must notify NEXTEAM GROUP all changes or major event within its organization, mainly concerning company moving, extension, ERP change, certification loss, customer qualification loss, etc)

The Supplier must make its staff aware of the importance of its contribution to the compliance and safety of the Work and Results, and the importance of ethical behavior.

The Supplier must put in place all necessary measures to prevent the use of counterfeit parts / materials.

### 11. Supplier follow-up

**Objectives:** Each year, quality and on-time objectives will be communicated to the Supplier.

**Ratings:** NEXTEAM GROUP transmits Score card to the Supplier. The Supplier commits to being in the "Excellent" status

The Supplier must analyze scorecards and put in place actions that can be the subject of a performance report to achieve this "Excellent" status.

**Audits:** the Supplier accepts NEXTEAM GROUP audits concerning the Works and Results, the quality system and the internal organization. These audits are planned by mutual agreement between NEXTEAM GROUP and the Supplier and lead to improvement actions (where necessary) conducted within a reasonable time.



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**Access:** As part of the NEXTEAM GROUP Orders, the Supplier must allow access to NEXTEAM GROUP, its representatives, its customers, the national authority, to the appropriate premises of all sites, at any level of the supply chain, and to the applicable documented records.

## 12. Supplier assistance

In order to facilitate exchanges between NEXTEAM GROUP and the Supplier and to support the Supplier, NEXTEAM GROUP will send to the Supplier at its request the following forms:

- declaration of conformity template
- Declaration of non-compliance template
- root cause analysis template

## 13. Environment respect

NEXTEAM GROUP commits to respecting the environment. That's why NEXTEAM GROUP seeks to work with like-minded suppliers who implement best environmental practices at their own level.

Indeed, NEXTEAM GROUP encourages its Suppliers to achieve the highest standards in terms of environmental protection, in particular as regards the sorting and treatment of their waste, the depletion of natural resources but also in terms of polluting emissions.

The Supplier endeavors to minimize the impact of its actions on the environment.

At a minimum, it must undertake to identify and comply with the environmental compliance obligations applicable to it locally but also in the destination countries of its Finished Products. NEXTEAM GROUP may ask for proof of compliance, because as part of its environmental approach, NEXTEAM GROUP wishes to work with Suppliers with the same concerns.

## 14. Prevention of Foreign Objets Debris

The Supplier must have a Foreign Object Debris (FOD) policy in place. Therefore its staff must be trained to eradicate them.