



Suppliers' Manual

Supplier guidelines for a cooperative
partnership with



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2. Preface

The market position of Oscar Fäh AG achieved on the Swiss market is particularly founded on the high quality of our products and services. Our suppliers make an essential contribution in this respect and thereby affect our performance potential vis-à-vis the customers. The common goal is “Zero Defects” in the area of quality and logistics.

The purpose of this manual is to provide a basis for the further development of our successful cooperation.

With fairness and efficiency we endeavour to build genuine partnerships.

Only motivated supply partners make it possible to stay ahead amongst tough competition. Continuous improvements and the will to explore new approaches together are the path to a long-term cooperation with our suppliers.

Reaching the goals of the magic triangle in purchasing (costs, quality, time) to the economic advantage of both parties is only possible on a basis of trust and partnership. We therefore endeavour to maintain an open dialogue with our suppliers.

As our supplier you will be given practical guidelines that will show you which measures and working practices will help you to become an A supplier for us.

The rules laid down in these guidelines do not release the supplier from their obligations of the error-free manufacture and supply of their products in accordance with the functional and order requirements.



Roger Mathis
General manager



Stefan Breu
Purchasing & logistics manager

3. Cooperation with suppliers

3.1 Supplier communication

To ensure a faultless communication, Oscar Föh AG should be notified immediately of any changes in relation to the contact details held by us.

3.2 Enquiries

As a matter of principle, the enquiries of Oscar Föh AG are always sent in writing. Please note that no further drawings will be sent following the placement of an order. The supplier will obtain the necessary standards and directives (DIN, EN, ISO, etc.) referred to in the enquiry independently. The supplier is obligated to ensure that the documents are up-to-date at regular intervals. We ask you to state technical, qualitative and other possible improvements as well as any problems in the quotation or to discuss them with the purchaser in charge. Constructive proposals will receive a positive evaluation during supplier appraisal. Please offer the requested batch sizes in each case. You are welcome to state your own suggestions separately.

3.3 Supplier selection

A supplier for a product or a service will only be selected from the list of approved suppliers.

3.3.1 Provision of supplier information

New suppliers must be approved by Oscar Föh AG. You will receive a supplier information form for this purpose in which we ask, among others, detailed information about contacts, company size, product strategy and quality management system. Please return this form to us after it has been signed by your company management and your quality management. The supplier information form must be updated by A and B suppliers every five years.

3.3.2 Purchase process / order

As a matter of principle, orders are placed by Oscar Föh AG in writing. All our orders are based on our general purchase terms and conditions.

The **delivery date** stated in the order is to be regarded as the **date of arrival** at the specified delivery destinations (place of fulfilment).

As a matter of principle, we expect an order confirmation within 3 working days for all orders. If the desired delivery date cannot be met, then this will be indicated by the supplier in the order confirmation. This new date must also be the date of arrival.

3.4 Packaging

The packaging is to be planned according to aspects of logistics, quality assurance, environmental compatibility and cost-effectiveness. The basis for this is the packaging manual of Oscar Föh AG.



3.5 Minimum information on delivery notes and invoices

3.5.1 On delivery notes

- (a) the Oscar Föh AG purchasing document number (order, delivery schedule, etc.)
- (b) the date of the purchasing document
- (c) the Oscar Föh AG part or item number
- (d) the delivery quantity, including the unit of measure

3.5.2 On invoices

- (a) the legally required obligatory components
- (b) the Oscar Föh AG purchasing document number (order, delivery schedule, etc.)
- (c) the date of the purchasing document
- (d) the name of the person placing the order
- (e) the Oscar Föh AG part or item number
- (f) the invoice quantity, including the unit of measure
- (g) the supplier's delivery note number, including the delivery date

As a matter of principle, the date of receipt of the invoices or the goods will be applicable to the calculation of the payment target and the cash discount regulation.

We reserve the right to charge a processing flat rate for additional expenses arising from missing or erroneous delivery note or invoice details.

3.6 Quality assurance agreement

3.6.1 Quality management

The quality of the partnership between Oscar Föh AG and its suppliers is the result of the quality of the individual operational services such as the adherence to the technical specifications and requirements, punctuality, cost responsibility, general reliability, etc. The supplier will take appropriate quality assurance measures to achieve the common objective of 0 defects. The agreement applies to all development services and/or products provided or delivered. Oscar Föh AG shall be entitled to satisfy itself of the performance of the agreed quality assurance measures implemented by the supplier by conducting an audit at appropriate time intervals following an appropriate prior notice.

3.6.2 Supplier appraisal

Oscar Föh AG conducts a supplier appraisal of its key suppliers at half-yearly intervals. The appraisal will be based on the following criteria:

- Delivery
- Quality
- Price
- Partnership

The basis for this are the supplier appraisal guidelines of Oscar Föh AG.



Should you be rated as a C supplier, we will expect your written statement, including measures, within 14 days.

3.6.3 Nondisclosure agreement

It is our company policy to maintain an open and constructive contact to our suppliers. Therefore, it must be ensured that our or the jointly developed know-how will not be passed to third parties. Whilst we generally expect our business partners not to pass on any insights gained we nonetheless apply a nondisclosure agreement to contracts and agreements.

3.6.4 Electronic data exchange

Oscar Föh AG currently does not exchange data by electronic means. Our suppliers agree to actively cooperate in this regard in case of future requirements.

4. Supplier-side quality assurance

4.1 General requirements for our suppliers' QM system

Proof of a documented quality management system is the minimum requirement for being ranked as a potential supplier of Oscar Föh AG.

The ideal case is proof of a quality management system in accordance with DIN EN ISO 9001.

Oscar Föh AG reserves the right, following prior coordination, to assess the adherence to the general as well as the special requirements for the QM system by way of an audit conducted by Oscar Föh AG, if applicable with the participation of our customer.

4.1.1 Traceability

To aid limiting the affected quantity as precisely as possible and to minimise the associated costs in case of damage we expect each supplier to maintain a traceability system that

- either is component-related (e.g. via a serial or batch number on the component) or
- makes it possible to establish a component reference via a delivery note number or a delivery batch named by Oscar Föh AG, thus

facilitating the traceability to the production lot and the associated production/manufacturing parameters as well as, if applicable, the components of sub-suppliers used.

4.1.2 Archiving

To further enable this traceability to be extended to potential late failures and the time after the end of production we recommend archiving quality-relevant documents for up to 15 years after EOP (end of production).

4.1.3 Legal requirements

We require all our suppliers to observe and meet the internationally applicable laws and conditions imposed by the authorities.

4.1.4 Inspection schedules

Should a product demand particular attention (safety-relevant components, etc.) to specific product properties, Oscar Föh AG reserves the right to agree special inspection schedules. These will be prepared by Oscar Föh AG and sent to the supplier.

4.2 Communication – services to be provided by the supplier

4.2.1 Prototype delivery

Every delivery of pre-series parts (sampling) is to be accompanied by inspection documents indicating that the technical specifications in terms of dimensions and materials are met.

Subsequent sampling

In the event of one of the following cases occurring, the approval procedure is to be repeated and new initial samples are to be submitted:

- Rejection of the initial samples
- Changes of production processes
- Relocation of production to a new site

4.2.2 Proofs of quality

If required, the documents created by the supplier or, if applicable, their sub-supplier as proof of the fulfilment of the product-specific quality requirements must be submitted to Oscar Föh AG within 5 working days. This encompasses in particular material test certificates, in-process test documents and results of goods inward and goods outward inspections.

4.2.3 Goods inward control

Regarding the quality assurance obligations accepted by the supplier, the requisite inspections take place on the supplier side. Oscar Föh AG therefore only inspects the products bought from the supplier immediately after their receipt for fulfilment of the ordered quantity and identity as well as for externally detectable transport damages. Further examination obligations do not exist.

Defects of the product detected at a later time will be immediately reported to the supplier upon having been found.

4.3 Defect handling – measures to be taken by the supplier

4.3.1 Deviations and corrective measures

Oscar Föh AG expects only fault-free parts from the supplier as well as an immediate notification should the supplier find that materials deviating from the specifications may have been delivered. Under special circumstances the supplier may apply for a special approval in writing should the supplier not be able to fulfil the quality standards specified by Oscar Föh AG. The special approvals form of Oscar Föh AG is to be used for this purpose.

4.3.2 Correction and problem solution

The supplier must analyse parts that were returned by Oscar Föh AG in order to identify the cause of the fault, to develop possible solutions and to carry out corrective measures that prevent a renewed occurrence.

For this reason, a structured problem solving method (8-D) must be followed. The supplier's methodology must be defined in writing and must comprise the following:

- The examination of the root cause of the fault with respect to the product, procedure and quality system.
- The determination of short-term and final corrective measures taken to eliminate the root cause.
- The controls applied to ensure that corrective action will be taken and will be effective.
- The test as to whether the fault can also occur in similar products and processes ("lessons learned").
- Preventive measures and application of controls ensuring their effectiveness.
- The definition of responsibilities for all actions and the corresponding documents.

The 8D-Report of Oscar Föh AG can be used as a basis.

We reserve the right to check the implementation of the stated measures and their effectiveness on site.

5. Appendix

The following support materials and forms are available in the section Unternehmen - > Lieferantenmanagement of our website (www.oscarfaeh.ch) and are to be used where required.

5.1 *Support materials / forms*

- Supplier's own information
- Packaging manual of Oscar Föh AG
- Supplier evaluation – Further explanations
- General purchase terms and conditions of Oscar Föh AG
- 8-D Report
- Special approval