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	Correlation matrix between procedures and activities to be performed to ensure the implementation of the quality system	
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# SUPPLY SPECIFICATION DOCUMENT

**FM Metal Fasteners Group S.p.A.**, enters into a **Supply Conditions Agreement** with:

**FM Metal Fasteners Group S.p.A.**, headquartered at **Via E. Villa 3**, hereinafter referred to as "**Client**," and headquartered at \_\_\_\_\_, hereinafter referred to as "**Supplier**."

## CONTRACT SUBJECT MATTER

Contract Subject Matter:


**The primary** objective of this contract is to ensure that all suppliers strictly comply with the high-quality standards and technical specifications established by **FM Metal Fasteners Group S.p.A.**, in order to fully satisfy the needs and expectations of the commissioning company.

These general purchasing conditions provide guidelines for every phase of the procurement process, including the formulation of requests for quotations, the issuance of purchase orders, and the stipulation of contracts for the purchase of products or goods under the supervision of **FM Metal Fasteners Group S.p.A.**

The Supplier's acceptance of issued orders automatically implies unconditional adherence to all the contractual clauses provided. **FM Metal Fasteners Group S.p.A. strictly enforces the application of its Quality System certified in accordance with the UNI EN ISO 9001:2015 standard and the IATF 16949 standard, thereby ensuring high and uniform standards in all supplies.**

Any general terms of sale of the Supplier, if documented, will have no effect unless previously agreed upon and ratified through specific negotiation between the contracting parties.

*This supply contract will come into effect on the date of signing and will remain binding until a new revocation or modification is jointly approved by the parties, thus confirming the stability and clarity of the established contractual relationship.*

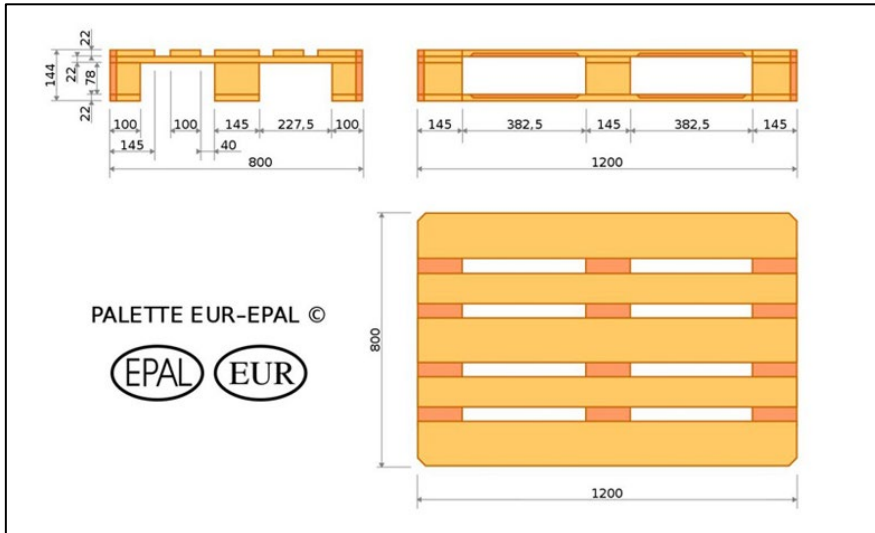
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The **Supplier** agrees to provide the **Customer** with the following conditions:

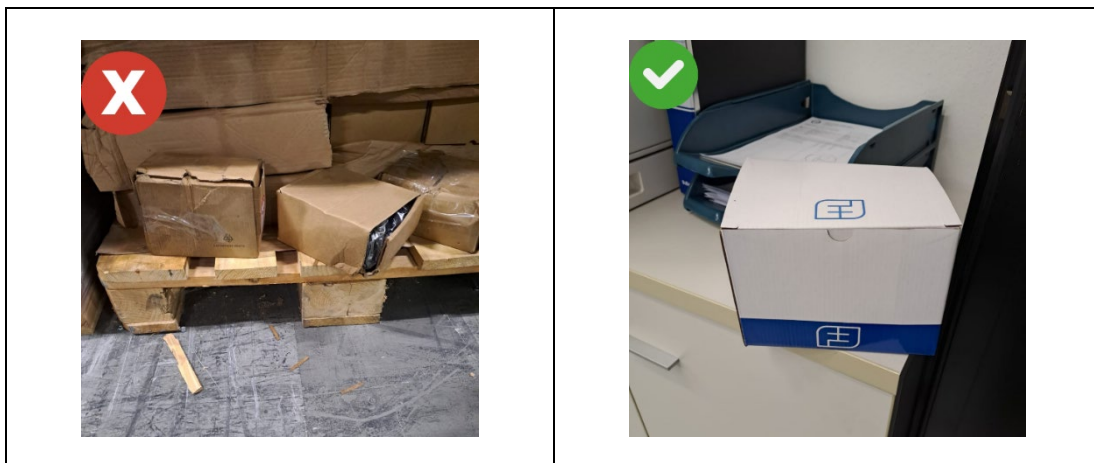
**Supplier's Obligations:**

**1. PACKAGING**


- The **packaging** must meet the required dimensions, specifically conforming to **EUR/EPAL** pallet standards.




- Based on the predefined agreements between **FM Metal Fasteners Group S.p.A.** and the **Supplier**, the boxes used must be of sturdy and durable construction, thus ensuring adequate packaging for the protection of the products during transportation and storage. If agreed upon, these boxes must feature a label with the FM brand, as illustrated in the image below.



- The **goods must** be stably and securely arranged on the pallet, in compliance with current packaging regulations. The Supplier is required to ensure proper storage in the warehouse, ensuring that there is no deterioration of the boxes or corrosion of the items. It is recommended to adopt all necessary measures to adequately protect the products during transportation, using suitable packaging securely fastened to the pallet.

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- It is the responsibility of the Supplier** to ensure that the supplied material is protected and delivered in perfect condition. Therefore, the material must be transported in such a way that it is adequately protected from the elements, dirt, and oxidation. The Supplier must take all necessary measures to ensure that no damage or deterioration occurs during transport, including the use of appropriate protective coverings and sealed packaging. Failure to comply with these provisions may result in the Supplier being held liable for any damage found and the application of penalties as stipulated in the contract. Furthermore, the Supplier is required to periodically check the transport conditions to ensure continuous compliance with the required protection standards.
- The boxes must** bear the symbols as specified in Annex B (Environmental Codification & FM Packing). These symbols must be clearly visible and legible, ensuring compliance with environmental and packaging regulations. It is the Supplier's responsibility to verify that each box is properly marked before shipment. Failure to comply with these provisions may result in the rejection of goods or the application of penalties, as provided for in the contractual agreements.
- The boxes must not** contain waste material resulting from the production of the product itself nor any foreign parts of any kind. It is imperative that each package be free of manufacturing residues and non-relevant components to ensure the integrity of the content and compliance with current regulations. The Supplier must implement rigorous quality controls to ensure that the boxes are clean and suitable for shipment. Any non-conformities detected upon delivery may result in formal complaints and the application of the related contractual penalties.
- Labeling must be** carried out in accordance with current regulations, including all essential information to identify the type of product and providing the necessary details for quality control of the item and verification of quantities.  
**As agreed between FM Metal Fasteners Group S.p.A. and the Supplier, labeling** must be carried out in accordance with the specifications outlined in Appendix A (Labeling Requirements). Each label must ensure clarity and legibility, being prominently positioned on each box. The information provided must include the product code, description, quantity, and any other necessary indications as specified.
- It is the Supplier's responsibility** to ensure that the labels are applied correctly and remain intact throughout the transportation and storage process. Failure to comply with the labeling specifications may result in the rejection of the goods or the application of penalties as stipulated in the contractual agreements. Additionally, the Supplier must perform periodic checks to ensure that the labels consistently meet the specified standards.  
**Transportation must be** carried out in accordance with current regulations and the previously defined contractual agreements. It is essential that all carriers used are properly authorized and comply with safety and environmental regulations.  
The Supplier is required to continuously monitor compliance with these provisions throughout the entire transportation process, ensuring that any deviations are promptly corrected. Any non-compliance may result in contractual liabilities and the application of penalties, as stipulated in the contractual terms.

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## 2. DELIVERIES

- The agreed **delivery** dates must be **strictly adhered to**. Any delays or early deliveries must be **communicated in advance to our Purchasing Department in order to agree on a new delivery date**.
- Failure by the Supplier to **provide** prior notice of changes to the delivery date may result in **FM Metal Fasteners Group S.p.A.** postponing payment for the relevant supply by 30 days. As a customer, FM Metal Fasteners Group S.p.A. reserves the right to assess the situation on a case-by-case basis.
- As a **customer**, **FM Metal Fasteners Group S.p.A. reserves the right to determine the situation on a case-by-case basis**.
- **Furthermore, FM Metal Fasteners Group S.p.A. reserves the right to charge for any ancillary costs that must be incurred to address the damage caused. Partial deliveries are to be avoided and will not be accepted unless previously agreed upon. Any non-compliance will result in the addition of 30 days to the payment terms for the relevant supply.**


## 3. PROCESS QUALITY

The Supplier, in the event of a supply required for the automotive sector, commits to adopting the mandatory tools and documents for the sector:

- Control Plan
- Process FMEA
- 8D Report for managing Non-Conformities
- Personnel Competency Matrices
- Process Flows and their Interactions

## 4. PRODUCT QUALITY

- **The Supplier guarantees that all** products supplied comply with the specifications agreed upon during the offer and order confirmation phase.
- It is necessary that **special products** manufactured according to drawings adhere to the quality standards and technical specifications established at the time of the offer and order confirmation
- For a period of twelve months from the date of purchase, the **Supplier** guarantees that individually sold products are free from defects and fit for the intended use. **The warranty includes replacement with an equivalent product and reimbursement for damages caused by any defects.**
- Supplies and processes must be guaranteed to meet the technical specifications, requirements, and/or specific certifications and/or controls expressly agreed upon.
- It is **the Supplier's responsibility** to deliver defect-free products and, unless otherwise requested, **to provide all necessary acceptance, production, and finished product controls to prevent the occurrence of non-conformities.**
- The **Supplier** is required **to ensure** that the items conform to the provided drawings, **respecting** the specified tolerances.
- **The Supplier guarantees** to inspect the parts in accordance with the technical specifications, using Go/No-Go gauges for nuts and Go/No-Go rings for screws.
- The **Supplier guarantees** to inspect the parts in accordance with the technical specifications, **ensuring** that the surface treatment **complies** with the **drawing** specifications.
- **FM Metal Fasteners Group S.p.A. declares that its quality acceptance level (LQA) for the managed products is defined by the ISO 3269 standard and that the determination of acceptance values refers to ISO 2859 according to a general inspection level II and a single sampling plan for normal inspection.**


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## 5. ORDER AMENDMENTS

- The **Supplier is required** to provide clear and precise indications regarding the geometric, linear, and angular dimensional tolerances to be applied for drawing-based machining and to communicate any requests for modifications **during the offer phase**.
- **The Supplier is obligated to send the relevant documentation to FM Metal Fasteners Group S.p.A. at the time of shipment of the goods, and upon request by FM Metal Fasteners Group S.p.A., must highlight the checks performed. The Supplier will be responsible for any final heat/surface treatments carried out as required by FM Metal Fasteners Group S.p.A. and for non-compliance with the requested requirements.**
- **The Supplier cannot make** any requests for modification or change of the technical specifications after the formal **submission of the offer by FM Metal Fasteners Group S.p.A.**
- The **Supplier is required to provide clear and precise indications** regarding the materials to be used for drawing-based machining. **Any material variations must be communicated during the offer phase.**
- **The Supplier is required to provide clear and precise indications** regarding any heat treatments performed on the materials used for drawing-based machining.
- **FM Metal Fasteners Group S.p.A. accepts a quantity up to 10% above the maximum ordered quantity.** It is also specified that this **10% tolerance applies to the entire overall order** and not individually to each ordered item.

## 6. DOCUMENTATION

- **In accordance with the specifications defined at the order stage, the Supplier is obliged to provide** the Certificate 3.1 for each delivery, as well as any other required certifications or test reports, **applicable to both standard and special items.**
- **Any parts requested as samples must be kept separate and identified with the label "SAMPLE." The Supplier is required** to ship their own delivery note and goods in their own packaging. **Each sample must be accompanied by the Supplier's relevant ISIR. Any subsequent order of these materials will be subject to the validation approval of the received samples.**
- **Technical Drawings:** The Supplier is required to ensure an adequate level of confidentiality to protect the Client's intellectual property through concrete measures to control the dissemination, access, and use of technical drawings. These practices include implementing secure document management procedures, training personnel on confidentiality, and signing non-disclosure agreements with all involved parties. Violation of these provisions can lead to severe legal and contractual consequences, including liability for damages and contract termination.
- **REACH Regulation:** The Supplier is required to ensure periodic updates of declarations regarding product compliance with REACH provisions. These updates must be communicated at least semi-annually, thus ensuring full transparency and compliance with current regulations. It is the Supplier's responsibility to maintain accurate and up-to-date documentation, as well as actively collaborate with the Client to resolve any compliance issues that may arise during the supply process.
- **RoHS Regulation: The Supplier is required to ensure periodic updates of declarations of product compliance with RoHS regulation.** These updates must be communicated at least annually, ensuring full compliance with restrictions on hazardous substances. It is the Supplier's responsibility to maintain accurate and up-to-date documentation, as well as actively collaborate with the Client to resolve any compliance issues that may arise during the product supply cycle.
- **Conflict Minerals Regulation: The Supplier is required to ensure periodic updates of declarations of compliance with the Conflict Minerals regulation. It is essential** to communicate these updates at least annually, ensuring full transparency and compliance with provisions aimed at preventing the use of minerals from conflict zones. This process requires continuous monitoring and accurate documentation by the Supplier, which must be readily available for inspections and audits by the Client and competent authorities.

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## 7. Costs of Non-Conformities

- **Each non-conformity** is considered an **additional burden**, both in terms of **money** and **time**, for which the **Supplier** is held **responsible** and therefore subject to any **additional costs**.
- **When the product does not meet the drawings**, technical specifications, and/or the contents of this specification, it is defined as **NON-CONFORMING**. In this **case, FM Metal Fasteners Group S.p.A. may return the material to the Supplier, agreeing on the necessary actions to restore the correctness of the supply.**
- **Communication: It is essential** to precisely define the methods of communication for non-conformities. This includes establishing clear protocols for the timely reporting of non-conformities, specifying the preferred communication channels, and the responsibilities of the parties involved in the non-conformity management process. The **Supplier** is required to ensure that every non-conformity is adequately documented, allowing for a prompt and effective response to mitigate risks and protect the Client's interests. [Better define the methods of communication for non-conformities]
- **Corrective Actions: It is crucial** to precisely define the root cause analysis method according to the **8D Report Model, using methodologies such as the 5Why's and optionally the 6M.** **Additionally, it is essential to detail** the permanent corrective actions to be implemented. The **Supplier** must ensure a thorough evaluation of the root causes of non-conformities, guaranteeing that the solutions adopted are effective in preventing the recurrence of the same issues. This process requires continuous monitoring and complete documentation of the activities carried out, in compliance with quality standards and the contractual requirements of the Customer.
- **Any compensation due to defects will be agreed upon by the parties, and as such, this issue may be grounds for termination of the contract or order.**
- The material that **FM Metal Fasteners Group S.p.A.** will return to the **Supplier** in case of **Non-Conformity** (with the issuance of a proper Non-Conformity Report) must, according to the agreed decisions, comply with the following:
  - I. **Return for Credit: The Supplier must credit the exact amount for the number of returned pieces, plus any penalties/costs incurred for the COMPLETE management of the Non-Conformity, citing the Non-Conformity number, invoice number, and date in the accounting documents.**
  - II. **Authorization for Scrapping: In agreement with the supplier, the non-conforming material is scrapped instead of returned. The supplier will issue a credit note for the number of scrapped pieces, plus any penalties/costs incurred for the COMPLETE management of the Non-Conformity, citing the Non-Conformity number, invoice number, and date in the accounting documents.**
  - III. **Define Better Operational Procedures for Returns and Replacements: It is crucial** to establish detailed and robust procedures for the effective management of returns and replacements.

**This includes implementing systems for the accurate identification and labeling of returned products**, while ensuring the adequate management of return times to promptly respond to Customer needs.

**The Supplier is required to maintain complete** and accurate documentation of every phase of the return or replacement process, including detailed traceability records and periodic reporting, to ensure full compliance with the contractual agreements and current regulatory provisions.



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## 8. Sustainability and Environmental Requirements

We formally request the supplier's availability to ensure complete accessibility and transparency regarding the outlined subsequent points. It is essential that the supplier demonstrates a proactive commitment to implementing the required information, ensuring full collaboration and compliance with the relevant technical specifications and industry standards.

- **Better Define the Sustainability Requirements to be Applied: It is crucial** to clearly establish the regulatory and environmental sustainability requirements that must be met. This includes the **identification and strict application of existing environmental regulations, as well as the integration of sustainability criteria into operational and decision-making practices. The Supplier** is required to ensure that all activities are conducted in compliance with the highest environmental standards, thus contributing to environmental protection and the achievement of sustainability goals set by the Customer and the relevant authorities.
- **Better Define the Waste Management Requirements: It is critical to establish a detailed procedure for waste management, including the identification, classification, and proper disposal or recycling of materials. It is fundamental** that the Supplier adopts rigorous measures to ensure compliance with applicable environmental and health regulations, ensuring accurate documentation and complete traceability of the waste generated during activities.
- **Better Define the End-of-Life Product Disposal Requirements: It is imperative to precisely establish the criteria and procedures for the responsible disposal of end-of-life products.** This includes identifying appropriate methodologies for material treatment, ensuring compliance with current environmental and health regulations. The Supplier must also ensure complete traceability of the disposal process, documenting each phase to demonstrate compliance with regulatory and contractual provisions.

## 9. Force Majeure Clauses

- **None of the contracting parties shall be held liable for the failure to perform or for delays in the performance of their contractual obligations if such failures or delays are due to force majeure causes**, including but not limited to, natural disasters such as earthquakes or floods, armed conflicts, acts of terrorism, strikes, epidemics, pandemics such as COVID-19, government lockdowns, or any other unforeseeable and insurmountable events occurring after the contract's execution and preventing its performance.
- **It is essential that both parties cooperate** to mitigate the effects of such events and resume the performance of contractual obligations as soon as conditions permit, with appropriate documentation and communication of the measures taken.

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**10. General Terms**

- This clause emphasizes the importance of establishing a clear and rigorous procedure for any contractual modifications to be binding and legally valid. Furthermore, the contract represents a formal commitment between the parties, which replaces and supersedes any prior or contemporaneous agreement, whether written or oral, thereby ensuring a solid and unequivocal basis for their commercial relationship. Both parties acknowledge and confirm that every provision of this agreement has been the subject of detailed negotiation and conscious acceptance, ensuring the clarity and validity of each clause.

Place and Date: \_\_\_\_\_

Supplier's Name and Signature:

\_\_\_\_\_

Name and Signature of the Customer

GRAZIANO FANTINI

 **metal fasteners group S.p.A.**  
*Graziano Fantini*  
 Il Legale Rappresentante  


**\*\*NOTA BENE:** Si richiede la doppia firma delle clausole obbligatorie indicate nel contratto. Si prega di consultare attentamente il contratto per identificare tali clausole, che sono essenziali per l'esecuzione del presente accordo. La mancata firma di tali clausole potrebbe invalidare l'accordo o renderlo incompleto ai fini della legge applicabile. (Cl.1-2-3-4-5-6-7-8-9-10)

Place and Date: \_\_\_\_\_

Supplier's Name and Signature:

\_\_\_\_\_

Name and Signature of the Customer

GRAZIANO FANTINI

 **metal fasteners group S.p.A.**  
*Graziano Fantini*  
 Il Legale Rappresentante  
