

These supplier guidelines, which aim for partnership and good cooperation, apply to the company

UMAREX

and its subsidiaries



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Lieferantenhandbuch - Supplier manual

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2 Preface

Our goal is to achieve precision and repeatability

Our suppliers make a significant contribution and determine our ability to perform for our customers.

To assure further expansion of our business activities, in the future we will need to rely more than ever on suppliers who are as successful as they are reliable.

This supplier manual describes the principles and methods of our quality standards, partner-based cooperative relationships and our supplier management system. The common goal here is to produce products of the highest quality and to assure partner-based cooperation and extend it.

3 General

3.1 Fundamentals of communication and cooperative work

Communication between the supplier and Umarex / Walther represents the basis for a well-functioning, cooperative working relationship. One key aspect of this is timely and unrequested provision of information on changes to any of the matters related to the supplier relationship. Another is compliance with and tracking of affected agreements.

Any changes related to our contact partner at the supplier should be communicated immediately to Umarex / Walther to guarantee seamless communications.

3.2 Confidentiality agreement

Our goal is to maintain open and constructive contact with our suppliers. Therefore, it must be assured that our know-how, or the know-how jointly worked out, is not transferred to third parties. That is why a confidentiality agreement must be signed.

3.3 Quality assurance agreement

The supplier manual is considered our quality assurance agreement.

3.4 Becoming a supplier / minimum requirements

Our suppliers are qualified and selected after completing a standardized supplier qualification process.

Supplier qualification is a core element of supplier selection, in which new suppliers are audited for their ability to meet minimum requirements.

You can apply at our website using the following link: <https://www.carl-walther.de/Lieferanten>

Our minimum requirements:

- Filled out and signed form with self-reported information by the supplier including the supporting documents indicated on the form.
- Signed confidentiality agreement
- Signed supplier manual
- Quality management system certified to DIN EN ISO 9001.
- If necessary, Umarex / Walther reserves the right to conduct an RPA (Rapid Plant Assessment) audit at the supplier.

If this leads to a positive release, we can add you to our supplier base and have requests for quotation sent to you.

3.5 Incident management / emergency planning

If incidents occur which affect the delivery date, delivered quantity or quality to Umarex / Walther, the supplier must initiate the required corrective measures. If it becomes apparent that, despite the initiated measures, it will not be possible to fulfill agreements or promises, the supplier must inform the Umarex / Walther contact partner of this in writing, unrequested and without delay, and communicate a new delivery date or a new delivery quantity.

In addition, upon request the supplier must provide answers to the following questions:

- Cause of the supply problem and measures for complying with the delivery date and the specification.
- Production capacities for the parts in backlog and underlying machine run times and work times (hours per work day, work days per week)
- Alternative production options (which must conform to quality requirements)
- Checking for possibility of lot splitting/partial delivery
- Option of shortening delivery time by means of a special shipment
- Information/escalation within the supplier's organization

As a rule, the supplier must create emergency plans for alternatives. They must be presented to Umarex / Walther.

3.6 Conflict minerals / hazardous material guidelines / REACH regulations

Regarding "conflict minerals" we ask that you obtain information at the following link: <http://www.eiccoalition.org/initiatives/conflict-free-sourcing-initiative/>

We assume that the products delivered to Umarex / Walther are free of any sort of conflict minerals. Furthermore, we expect the deliveries of our suppliers to comply with currently valid guidelines and directives (ELV; US RoHS; China RoHS; REACH; WEEE) as well as laws and regulations.

Any changes must be communicated without delay.

3.7 Code of Conduct (CoC)

A respectful and cooperative working relationship as well as awareness and acceptance of social responsibility form the basis for long-term business success.

You hereby confirm to us that you will follow the code of conduct, which you can read in German or English at the following link

http://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_English.pdf
http://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_German.pdf

3.8 Archiving

To enable traceability, even for potential late failures and after the end of production (EOP), documents (verification documents) relevant to quality must be archived for a minimum of 15 years after EOP; other documents must be archived for 3 years. For a definition of documents requiring archiving, refer to VDA Volume 1 "Verification management".

3.9 EDI (Electronic data interchange)

The goal of Umarex / Walther is to set up an EDI connection with the supplier.

3.10 Tools

Tool ordering can be recognized by the part number and the extension -WKZ. In addition, a tool lease agreement is signed. It establishes the rights and duties of the manufacturer and the tool owner. Please send it back to the purchaser Umarex / Walther within one week after receipt.

3.11 Scrapping

Scrapping of part-specific manufacturing equipment or parts requires prior written release by Umarex / Walther.

3.12 Requests for quotation and manufacturability assessment

Requests for quotation (RFQ) from Umarex / Walther are primarily sent via email. RFQ data, drawings and any Step files are sent with it. The supplier must independently procure the necessary standards and guidelines referenced in the RFQ (DIN, EN, ISO, VDA, etc.). The supplier agrees to verify, at regular intervals, that the latest versions of the documents are being used.

In the manufacturability assessment, an evaluation is made of whether a part that has been requested can be manufactured under series production conditions as it is described and required in drawings and specifications.

The manufacturability assessment is required for each product for which Purchasing requests a quotation. In particular, attention must be given to fulfilling the specified tolerances under static perspectives and to fulfilling the part's functionality and stresses it is subjected to. Furthermore, a conclusion must be reached on whether the supplier's capacity is sufficient to supply the planned volumes and maintain the planned schedule.

In particular, special attention must be given to inspection characteristics identified in the drawing.

Umarex / Walther expects that the supplier will make recommendations on necessary changes or supplements to drawings and specifications, and will carefully check and implement them with the goals of continuous improvement to product quality, process assurance and the most economical means of manufacturing.

Please quote the requested lot sizes. Quotations should be prepared and sent to the authorized purchasing agent at Umarex / Walther within 10 work days after receipt of an RFQ. We ask that you inform the authorized purchaser of any delays in submitting a quotation.

The quotations are binding and are prepared free-of-charge.

3.13 Supply and payment conditions

Payment and delivery conditions must be observed, **60 days net, delivery free to our plant**

4 Procurement and supplier development

4.1 Procurement concept (initial samples, production releases, blanket orders, individual orders)

As a rule, for new projects or extensions, the first order triggers an initial sample order.

The quantity ranges from 50 to 100 pieces, depending on the product value.

After the product has been released, series production orders are made either as a blanket order or as individual orders.

4.2 Order handling for sample orders and series production orders as well as order confirmation

Umarex / Walther always issues orders in writing. Our General Terms and Conditions apply to all of our orders and contracts.

See our General Terms and Conditions:

<https://www.carl-walther.de/aeb.html>

<https://www.umarex.de/agb.html>

Each order, as well as changes or supplements to it, must be in written form.

The supplier is responsible for checking an order. This includes checking the drawing revision level from the order against the drawing the supplier actually has. Any deviations should be reported, and an order confirmation should be sent to the relevant company within 3 work days at the latest.

Umarex orders to Einkauf@umarex.de

Walther orders to Einkauf@carl-walther.de

4.3 Incoming goods inspection

Incoming goods inspection is generally limited to the following items (German Commercial Code HGB §377):

- Shipping damage or obvious defects
- Identity

- Quantity

Drawing parts are additionally subjected to a coordinated quality inspection according to the test plan.

Umarex / Walther retains the right to waive a qualitative incoming goods inspection, if a test plan has been established with the supplier for its own qualitative outgoing goods inspection. After prior coordination with the supplier, deliveries could be made in conjunction with a Certificate of Conformity (COC).

4.4 Supplied products

When the supplier fulfills its performance for the products procured by the ordering party, or supplied products, a suitable incoming goods inspection must be performed to ensure the required quality before any processing or alteration work takes place.

4.5 Deviation releases in series production

If products do not fulfill the valid specifications of Umarex / Walther, a petition for deviation may be submitted before delivery of the goods.

This requires the use of a special form (see link of item 7) which is submitted to Umarex / Walther Supplier Development. If a deviation is granted, Supplier Development will return the release to you.

The products must be delivered with identification marking as deviation parts per VDA 4902.

A copy of the deviation release must be included with the delivery.

4.6 Change management

4.6.1 Change of revision level

Order-relevant documents such as drawings, company standards and production material are listed in the orders with a revision level. If changes occur, the revision level is incremented. Each drawing change causes Umarex / Walther Purchasing to order samples modified to the new revision index. This order must be delivered together with the change samples in response to the particular order.

4.6.2 Change to product or process of the organization

The supplier must have a documented process for controlling and implementing changes. A “change” refers to all situations related to drawings, production methods, production sequences, sub-suppliers, materials or supplied parts for products as well as changes in the performance of rework. Moreover, a “change” also refers to relocations of production sites,

fundamental organizational changes, and changes to equipment used to test the products or to other quality assurance measures. If any of the above named changes are made, the supplier must inform Umarex / Walther of them in writing with a reasonable amount of advance notice.

4.7 Supplier management

4.7.1 Supplier evaluation

The goal of the supplier evaluation is to obtain an objective and comprehensive analysis for the purchasing decision. Systematic evaluation of suppliers is performed based on a uniform list of criteria. The results of a supplier evaluation are considered in current and future decision-making processes. Specifically, this means that the results of the supplier evaluation flow into the following processes:

- Into the selection of new parts or supplier changes (“A” suppliers preferred)
- To eliminate weak suppliers, or
- For supplier development and improvement measures

The supplier evaluation is conducted at regular cycles, but at least once per year. The goal is to conduct the evaluation every three to six months for system suppliers, so that trends can be detected early on, and suitable measures can be initiated to address them.

The following evaluation criteria flow into the evaluation:

- On-time performance
- Correct quantities
- Claim rate
- Accepted supplier information and supplier manual, audit and certifications, weapon manufacturing license

Supplier Development at Umarex / Walther communicates the results of the supplier evaluation to the supplier's department.

For “B” and “C” suppliers, we always expect a written statement in the form of an action plan that introduces appropriate improvements.

When results are worse than in the prior year, we definitely expect an explanatory statement.

5 Quality

5.1 Quality management/quality management systems of sub-suppliers & audit

Suppliers and their sub-suppliers pledge to work on continuously applying a quality management system that meets the requirements of DIN EN ISO 9001 at a minimum. The goal of the suppliers must be to align, build up and verify a QM system in accordance with DIN EN ISO 9001 (in its current version).

In this context, the supplier pledges to transmit the certificate, unrequested, to Umarex / Walther Supplier Development after a monitoring audit or recertification.

The supplier agrees to perform the planned and event-triggered audits to specifically monitor, evaluate and, if necessary, improve the effectiveness of quality assurance. The number and frequency of such audits is established by the supplier and is based on the existing work methods and systems.

Umarex / Walther or its agent is authorized to perform audits at the supplier, and, if applicable, to sub-contractors (sub-suppliers) to check the QM system. The audit may be performed as a system, process or product audit. The type and scope of the audit must be agreed upon in advance.

If deviations are revealed in the audit, the supplier and/or sub-supplier agrees to initiate measures to correct the deficiencies that were found. This involves Umarex / Walther creating an action plan which must be filled out, signed and returned to Supplier Development within 5 working days.

5.2 Traceability

To localize potentially defective units as precisely as possible, which minimizes the associated costs in case of damage, we expect every supplier to guarantee traceability of the produced parts.

In response to an event, e.g., a damage claim, the following information may be requested:

- Material(s) used, indicating the lot and assigned test results
- Assigned documentation of production parameters and tests on finished parts
- The documents and test specifications and/or test instructions used
- Number of units produced and deliveries that have already shipped
- Handling of defective products and corrective measures

5.3 Quality preplanning

When there is a new supplier or new individual parts or assemblies are being introduced, precautions must be taken in advance to assure a smooth start of production. To support the supplier, we reserve the right to perform a potential analysis in the context of project management.

Quality preplanning refers to systematic processing of the following important Q planning elements:

- Manufacturability analysis (according to technical documents included with the order)
- Design FMEA (if created by the supplier)
- Process FMEA (if required by customer)
- Resource planning and resource management
- Manufacturing instructions, test planning and the use of capable test equipment management
- Special characteristics
- Static process control (process capability (Cp, Cpk); if required by customer)
- Machine capability (Cm; Cmk; if required by customer)

- Planning of logistical sequences (packaging planning)
- Q regulations for sub-suppliers
- Documentation (VDA, PPAP)

The supplier assumes full responsibility for assuring the quality of parts and services which are procured from sub-contractors. This involves assuring, monitoring, continually evaluating and integrating the quality capabilities of its suppliers and sub-contractors in the quality preplanning process.

5.4 Test equipment monitoring and test equipment use

The supplier is responsible for using suitable and capable measurement and test equipment (including software and programs) to be able to assure satisfactory process monitoring.

The supplier assumes sole responsibility for providing standard test equipment. The test method and test equipment must be included in the production control plan/test plan.

The manufacturer must install and maintain a suitable monitoring system for test equipment and other equipment that is used as measurement or test devices.

To guarantee safety for production and shipment of defect-free parts, the supplier must verify capability of the measurement and test equipment (MSA1, MSA2) listed in the PLP (if required by the customer).

If test equipment is provided by Umarex / Walther, the supplier must adopt it into its test equipment monitoring program and ensure, independently and unrequested, that it is calibrated.

5.5 Initial samples, change samples, resampling PPF-

Initial sampling provides the verification that the manufacturer of products and materials is capable of continually fulfilling the requirements of the product according to agreed-upon product specifications and drawings under series production conditions.

Initial samples and change samples are requested via orders. Resampling samples must be provided by the supplier with the next series production deliveries, unrequested. If resampling samples are not included with deliveries, this triggers a claim.

Minimum requirement for initial samples:

- Initial sample cover sheet per VDA 2
- Positioned stamp drawing (reference must be made to all drawing dimensions and listed specifications; stamp number is reference number in test report)
- Sample parts including dimensional report (5 pieces measured and marked samples; for multi-cavity tools 5 pieces per cavity)
- Material certificates (material certificate 3.1)
- Verification of heat treatment or coating thickness including measurement log indicating measured value
- Process control plan

Change samples

- Initial sample cover sheet per VDA 2

- Positioned stamp drawing (reference must be made to all changed specifications; stamp number is reference number in test report)
- Sample parts including dimensional report (5 pieces measured and marked samples; for multi-cavity tools 5 pieces per cavity)

Resampling

- Initial sample cover sheet per VDA 2
- Positioned stamp drawing (reference must be made to all rejected and listed specifications from the previous initial sample inspection report (ISIR); stamp number is reference number in test report)
- In addition, all balloon dimensions must be measured and documented in the ISIR
- Sample parts including dimensional report (5 pieces measured and marked samples; for multi-cavity tools 5 pieces per cavity)

Identification marking and delivery of initial samples

- The initial sample parts and shipments must be delivered with an "Initial Samples" identification tag
- The order number, name, revision index and the information that it is an initial sample must be noted on the delivery note
- The individual samples must be packaged in sealing pouches and have this information marked on them: test piece, cavity, article number and index.

5.6 Control of faulty products as well as rework and associated costs

If Umarex / Walther finds a deviation to the specification, first a check is made to determine whether the parts can be used with a special release.

Even if the parts are used, a complaint is still sent to the supplier.

If the parts cannot be used, the goods are shipped back to the supplier.

To avoid production downtimes at Umarex / Walther, the shipment of zero defect parts assumes top priority. That is why actions such as part segregation, replacement of inventory, rework, etc. are necessary within **one work day** unless Umarex / Walther waives this in writing.

If the supplier cannot accomplish this, Umarex / Walther will begin the necessary work tasks at the cost of the supplier. Estimation of the cost and effort is coordinated beforehand with the supplier.

The costs for rework are charged to the supplier after the work tasks have been completed.

5.7 Claims including corrective measures and problem resolution

If claims are made against deliveries, a claim is generated with a notification number. The claim number must always be referenced in written correspondence. All of the data that the supplier needs is included in the claim.

The supplier must respond to the claim with an 8D report in the following form:

Within one work day D1 - D3

After 5 work days at the latest D1 - D5

After 20 work days at the latest D1 - D8

For root cause analysis, methods such as Ishikawa, "5 why" must be used and presented in the framework of the 8D. You can download a template from our home page; see link in item 7.

If we do not receive any objection from you within two work days, we assume that you consent to the claim.

6 Logistics

6.1 Identification marking of load carriers

All load carriers must be marked in accordance with VDA 4902. If you need a template, you can download it using the following link:

<https://www.my-vda-label.de/VDA-Label-drucken-4902#drucken>

6.2 Supplier manual logistics

For items related to this, see supplier manual logistics

6.3 Packaging manual

For items related to this see packaging manual logistics

7 Other applicable documents, forms, literature

- Self-reporting by supplier
- NDA
- Special release supplier
- 8D report template
- Supplier manual logistics
- Packaging manual logistics

You can download the documents listed above at our home page using the following link:

<https://www.carl-walther.de/Lieferanten>



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