

Supplier Manual

Quality and Environment

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1. Introduction

This manual sets forth the terms of cooperation between the Supplier as the first Party and the companies of GUMOTEX group (GUMOTEX Automotive Břeclav, s.r.o., GUMOTEX Automotive Jaroměř, s.r.o., GUMOTEX Automotive Třebíč, s.r.o., GUMOTEX Automotive Myjava, s.r.o. and ZPV Rožnov, s.r.o.) as the Buyer and the other Party.

The Supplier Manual is a legally binding document which is part of the contractual relationship between the Buyer, GUMOTEX (GUMOTEX Automotive Břeclav, s.r.o., GUMOTEX Automotive Jaroměř, s.r.o., GUMOTEX Automotive Třebíč, s.r.o., GUMOTEX Automotive Myjava, s.r.o. and ZPV Rožnov, s.r.o.) as the first Party and the Supplier as the other Party, and the terms and conditions set forth herein are already valid within the framework of the conduct of pre-contractual negotiations for the conclusion of the contract (the so-called pre-contractual stage of demand).

Where GUMOTEX is further mentioned in the text, it includes also the above-mentioned companies, which may act in place of GUMOTEX as the Buyer in a particular contractual relationship.

2. Purchase policy

Fast changing and rising demands of customers to their suppliers require the highest flexibility and readiness to contribute creatively and promptly to solve problems even from our suppliers. Deliveries and services from suppliers must fulfil all stipulated and legal requests to the full extent. Consistent fulfilment of Quality plan and effective control of serial production is essential for reaching the “zero-fault-target”. Focus thereat must lie in the prevention.

Suppliers undertake to supply only with perfect products.

Suppliers are committed the meeting the specific requirements of our customers (eg VW Formel Q, VDA) and are responsible for transferring requests to their suppliers.

3. Requirements for supplier's management system

Suppliers undertake to create and keep quality control system acc.to IATF 16 949 or VDA 6.1 (for supplier of components or production material). Compliance with these requirements must be demonstrated to customer by a certificate from third side approved by IATF group. As an alternative, VDA 6.1 certification is accepted.

If suppliers don't have an IATF 16 949 certified system, they must have certification acc.to EN ISO 9001 with the ultimate goal of becoming an IATF 16 949 certified.

Requirements we must face are the requirements for environment-friendly products and manufacture. For this reason we require our suppliers to implement the environmental management system according to EN ISO 14001.

3.1. Parts with special characteristics (D, SC, IC)

Growing appreciation of safety led internationally to tightening of legal regulations. Breach of these regulations could be ground of considerable penalties and compulsory actions (recall campaigns, exchanges, ban on the sale).

Special distinctive characteristics were defined to avoid such cases. These characteristics are denoted in relevant manner in drawings / control designs.

Identification according to the following table is used in denotation of specific marks in documentation of companies of GUMOTEX group:

Safety feature	Non-flammability	D	Safety characteristic
	Other safety feature		Critical characteristic
Key/ Significant feature	Obligatory SPC	SC	Significant characteristic
	Optional SPC	IC	Important characteristic

In unique cases at the option of customer the denoting of these special distinctive characteristics is performed according to customer's settings. Supplier must take these special distinctive characteristics in consideration. It includes their incorporating in particular documents (e.g. drawings, control plans etc.) and recording documentation.

It is necessary to provide faultless matching of the recording documentation to delivered batches or particular products.

Safety features (non-flammability, other safety feature) must be proved by relevant test record once a year and sent to customer.

In case of safety features all documents included in these demands must be archived according to the legal regulations. At the same time the retention period **minimally 15 years after the end of production** must be assured unless otherwise (applicable standard) specified.

Supplier with safety features, defined by standards and laws, must identify the features and include them in control and management plans, follow the definitions and symbols specified by customer and identify documents for process control including drawings, FMEA, control and management plans and instruction for operators, with a special mark of the customer, companies of GUMOTEX group uses the mark D, or with an equivalent mark. If the supplier uses different marking of documents, the supplier must keep documentation for correlation representation as managed documentation of demands. Supplier must appoint a Product Safety and conformity representative (PSCR).

Parts with safety features, where the final customer is the VW concern, are denoted by the VW concern as D, TLD parts. In this case the VW concern extended its demands beyond the standard and laws and requires its suppliers to perform self-audit of keeping the documentation of D/TLD parts according to the methodology Formel Q – capability. Suppliers, bound by this demand, are obliged to perform this self-audit, **to archive its results for 15 years** and to present the results if requested. If one of the questions is answered "no", customer's purchasing department must be informed about this result of audit including subsequent measures without being invited to do so. The audit may not be older than 1 year.

If the supplier delivers materials or components, where the final customer is the VW concern, the supplier must appoint a Product Safety and conformity representative (PSCR), whose competencies are defined in the document „Duties of Product Safety and conformity representative“. Suppliers are obliged to notify customer (purchasing dept.) of the name of this person including his/her telephone and email contact and to inform immediately about any change of this person without being invited to do so.

If the supplier delivers parts with D mark, the supplier must also appoint an assistant for the Product Safety conformity representative (PSCR) in accordance with demands of VW and inform customer alike in case of the Product safety and conformity representative (PSCR).

In case of liquidation of a company or insolvency, the companies of GUMOTEX group are eligible for handing over all materials for documentation of products delivered to the companies if the time limit for their archiving has not expired yet.

Suppliers are obliged to enable the customer at any time upon request to examine the state of documentation and to inspect all relevant documents and copies.

4. Procedure of selection of supplier

4.1. General matters

The guideline for the selection of suppliers of the companies of GUMOTEX group is the motto „**to receive required products on time in required quantity and required quality at an acceptable price**“

Suppliers obtain from GUMOTEX side technical specifications, specifications, which the supplier will check up regarding the completeness and in case of a drawback, the supplier informs customer.

Consequently it is important to clarify procedures and demands of the customer.

Following tools are used to perform this task.

4.2. Supplier fact sheet

The supplier completes the Supplier fact sheet upon request of the customer, where basic information about supplier is required:

- Information about the company (certification, organizational structure ...)
- Information about the manufacturing programme
- Information about the possibilities of development and design
- Information about the method of quality management
- Information about possibilities in the area of logistics
- Information about possibilities in data processing
- General data

4.3. Auditing of suppliers

The supplier is obliged to perform process self-audits (according to VDA 6.3) and on request present its results once a year to customer. If the final customer is the VW concern, the supplier is obliged to perform this process audit once every 12 months acc.to Formel Q procedure. If the result C or repeatedly (2x) B is reached, the supplier is obliged to inform customer without being invited to do so and an escalation procedure on the part of customer can be expected.

Customer reserves the right to perform the audit of the supplier according to demands ISO 9001 and IATF 16949, resp. VDA 6.3., based on notice.

Occasion for such audit can be primarily:

- selection /evaluation of new suppliers,
- problems with quality of products or serial production deliveries,
- demand of our customer,

Suppliers undertake to remedy any discrepancies included in the audit record and to inform customer about the way, scheduled time, and execution the Improvement Program.

If the result of 2 successive audits is repeatedly B or if the audit result is C, customer will perform a repeat audit of the supplier.

Audit results $\geq 90\%$	classification A – quality capable
Audit results $\geq 80\%$ to 89%	classification B – conditionally quality capable
Audit results $< 80\%$	classification C – not quality capable

In case of suppliers delivering materials based on single order, suppliers nominated by the customer, or suppliers with annual volume of purchase less or equal to 100 thousand CZK the process audit is not performed as a rule.

4.4. Nomination of suppliers

In case of new suppliers eventually of suppliers already delivering to the companies of GUMOTEX group, the nomination is performed in form of nomination letters.

This decision is accepted through Purchase, Quality Control, Logistics and Development.

Frame contracts eventually other documents concluded between the Purchase Department of customer and a seller form the basis of commercial relationship.

4.5. Approved Suppliers List

At the moment of completion of a contract, a nomination letter, or an order the suppliers are included in the Approved Suppliers List.

Reasons for wide or partial blockage of a supplier can be:

- non-fulfilment of quality and logistics demands,
- insufficient fulfilment of system requests,
- insufficient response times,
- considerable deterioration in quality

4.6. Agreement on quality requests for purchased parts and materials

This agreement regulates relations concerning assurance of quality between suppliers and the companies of GUMOTEX group. This agreement is an amendment to the Supplier Manual and is specific for particular products. Their components are specific product requirements and the way of their documentation, PPM targets, eventually other specific provisions for particular products or projects. This agreement is an indispensable part of the frame or any other contract.

If such agreement is not concluded, the requirements for a product arise from drawings, standards, test regulations and others.

4.7. Guarantee

The companies of GUMOTEX group points out to the fact, that in case of faulty products during the warranty period the suppliers will be charged with costs determined on the part of our common customers within their responsibility. For this purpose, the suppliers will be immediately informed after detection of such costs assignable to them. Warranty period is minimum 24 months after a car registration (the standards in force on the part of particular final customers and connecting procedures are relevant).

4.8. Continuous improvement

Continuous improvement must be a part of the quality strategy of every supplier. The customer expects an active cooperation of suppliers on the continuous improvement of procedures, processes, and products with the aim of the permanent improvement of the entire system. It is necessary to show results of the continuous improvement as cost savings or quality improvement.

5. Prototype, pre-serial and serial management of quality

5.1. General matters

Development of a part or a process requires a time plan and implementation in a close contact with the project team of the customer according to relevant demands of final customers.

Suppliers will provide the necessary number of qualified workers.

5.2. Advanced product quality planning

Advanced product quality planning will be performed in accordance with the APQP.

5.3. Specification / drawings

Suppliers undertake:

- to procure and to follow legal regulations, all specifications, technical requirements and standards as amended,
- to procure and to fulfil technical requirements,
- to set special characteristics and necessary parameters for process capability (see 5.7), by mutual consent with the Quality department of the customer, further to demands of the final customer
- to notify of missing information (e.g. specification, standards),
- to notify of incompleteness of documentation in the relevant place of purchasing

A part and/or a complete assembly must fulfil applicable test specifications. In case of non-fulfilment the test specifications, the tests performed by the supplier as well as the tests performed by the customer there must be included changes in the part with neutral costs for the companies of GUMOTEX group unless otherwise agreed. Tests imposed on the supplier in the Technical specification must be performed at supplier's expense so long until the test specifications are fulfilled. The supplier must present regular tests and evidence of control forces.

5.4. Process flow diagram

As early as in this stage the supplier must plan in details the material flow up to the final product including all production and control steps and illustrate this procedure in form of a process flow diagram.

This process flow diagram must be presented to the customer for inspection.

5.5. FMEA

FMEA (Failure Mode and Effects Analysis) is a method for detection and evaluation of potential failures in the development, manufacture or assembly of a new product or in a new production process and their remedy through adequate measures in advance.

Design-FMEA must be made only in case of responsibility for development. Its necessity must be agreed with the customer.

It is necessary to perform the process FMEA to assure the manufacture of product.

The FMEA is to be made according to the regulation VDA volume 4 or QS 9000. FMEA must be a "living" document where changes and possible complaints on the party of customers are continuously being taken into consideration.

FMEA must include all safety characteristics.

These FMEAs must be submitted to the customer for inspection on request.

5.6. Planning of prototype and pre-serial tests and controls

Based on all delivered specifications (drawings, technical specification, requirements on part (LAH),...) the supplier is obliged to work out a time plan of examinations and tests for particular stages of projects with regard to the feasibility and importance of these tests in particular stages of the project. Based on experience, the supplier must also pay attention to particular optimization loops in this plan.

This plan is subject to approval by the Quality Department of customer and must be submitted up-to-date in agreed periods.

Records of already performed tests and examinations, which must contain all prescribed particulars including the decision compliant - in-compliant must be a part of this submission. In case of an unclear result the decision will be completed after negotiations with the customer, in case of a negative result a subsequent procedure will be settled in cooperation with the customer. and updating of this plan will be performed. The supplier bears full responsibility for the tests performed by the supplier (including all additional costs).

Tests and examinations which the suppliers cannot perform at their own plants will be performed externally only in accredited laboratories and inspection bodies or in the laboratories and inspection bodies approved by the customer.

Delivered parts are exposed to further tests – assembly tests performed by the customer. If the tests are in-compliant by reason of low quality of delivered parts, the supplier refunds all expenses connected with the repeating of the test.

In case of provision the test parts outside the scheduled time the supplier is obliged to pay all costs of the repeated test including not only the test stand and the performance but also the provision of all in advance defined parts necessary for the determination of general release.

5.7. Proofs of capability

Process capability audit serves to prove the quality capability of processes. Suppliers must provide proofs of capability separately to each requested control and functional characteristics (see the Quality Agreement).

Additional proofs of capability must be agreed with a quality quality department of the customer.

Calculation and execution of the process capability must be performed according to the provisions of VDA volume 4 / QS 9000, unless the customer requests higher standard.

Following limits are valid for the proof of process capability:

Capability of machine (equipment)	Cmk \geq 1.67
Provisional process capability	Ppk \geq 1.67
Long term capability	Cpk \geq 1.33
Capability of measuring instrument	Cgk \geq 1.67

Proof of process capability must be assured to customer at no cost and delivered on request.

If supplier does not reach above-mentioned values of process capability, the supplier must contact the Quality Department of the customer and notify of this negative trend and at the same time the supplier must take adequate measures to be able to achieve the process capability. Such parts must be one hundred per cent inspected and the results must be documented.

5.8. Control Plan and manufacture management

Control Plan (see IATF 16949) presents summary of all requests for quality, their proof, and test criteria implemented in the supplier's quality management system. It presents closing of all activities for quality planning of the supplier. It is necessary to create these Control Plans for the prototype stage, pre-serial, and serial stage.

Control Plan consists of:

- process sequence plan including all control measures,
- planning of product and process audits,
- planning of requalification tests

Characteristics, which will be recognized as relevant for quality in the FMEA and evaluated, must also appear again in the Control Plan consequently.

5.9. Approval of process - „Two-day production“, R&R before start of serial production

It is necessary to prove preliminary quality of product and process within the process series. This measure should prove your ability to cover our future serial needs in quality and quantity of products, safety of process and keeping the terms without problems. Evaluation is following:

Process approved without reserve	green
Process approved under reservations	yellow
Process disapproved	red

This approval of process will run in following manner: supplier will execute internal inspection and deliver its results to the customer and based on these results a control by the employee of GUMOTEX side, will take place by mutual consent.

5.10. Sampling / samples

5.10.1. Sampling of prototypes and pre-serial parts, re-sampling of serial parts

The contact person for the extent and the timing of sampling of prototypes and pre-serial parts is the authorized quality department of the customer.

It is necessary to deliver sample parts free of charge, properly labelled with agreed documentation.

5.10.2. Initial samples with EMPB (PPAP)

Initial sampling of suppliers follows VDA volume 2 eventually requirements of quality engineers according to QS 9000 (PPAP). Level of sampling will be specified with the supplier at the beginning of the project.

Production of samples for EMPB (PPAP) must run under the conditions of serial production, with serial machines, devices, measuring instruments, and at the places destined for serial production. If more equal tools or moulds or multiple moulds (nests) are used it is necessary to take measurements and sample separately - minimally 5 pieces – from each mould or from each position of the nest unless provided otherwise. If a combination of parts will result from assembly, these combinations must be also included in the sampling. Initial sampling also includes proof of test regulations mentioned in the drawing and specification. Parts of initial sampling and measuring records must be delivered according to schedule and provided free of charge, labelled according to the mutual agreement as “initial samples” and sent to the Quality Department of the company GUMOTEX. The proof of process compliance is a part of initial sampling.

At the same time the customers demands delivery of 50 pieces of parts for the process verification in the stage of the initial sampling unless agreed otherwise. This covers the components which enter into the production process.

Data about material must be transferred before the start of serial production through IMDS, material data sheets, Material Safety Data Sheets, certifications.

Reasons for initial sampling are particularly:

- new parts
- technical changes (changed parts, changed specifications)
- change of production place of supplier (e.g. internal relocation)
- changes in the supply chains
- changes of the production process (e.g. parameters, processes, procedures etc.)
- longer production break

Sampling complies without reserve	Parts can be delivered, further re-sampling will be performed only in cases mentioned in the previous article, or within requalification
Sampling complies under reservations	Parts can be delivered, further re-sampling is needed after optimization in the agreed timing
Sampling does not comply	Part can not be delivered, further re-sampling is necessary after optimization

If the above-mentioned situations occur supplier will arrange sampling without call. If supplier does not inform the customer about the changes, which are the impulse for re-sampling, escalation procedure with the supplier, will be opened with possibility to impose sanctions according to the Tariff Rates for Compensation of Damages.

If the sampling failed (complies under reservations and does not comply), it is necessary to act thenceforth according to the procedures mentioned in the Annex, see the Tariff Rates for Compensation of Damages.

If the supplier is nominated by the customer and performs the sampling for the customer, the supplier will perform the sampling towards to customer in the form of a „cover sheet“.

5.10.3. Reference and boundary samples

Reference samples:

- represent an admissible form of values of characteristics

Boundary samples:

- represent a limit value of characteristics

It is necessary to agree the reference and boundary samples with quality department of the customer.

5.11. Product curriculum vitae

For all delivered products the suppliers must keep curriculum vitae of the part and the process with evidence of each change of the part or the production processes. The product curriculum vitae is a part of documentation presented not only within the sampling but also in case of each mutual agreed change (product, process).

Part curriculum vitae must minimally contain:

- number of the drawing
- name of the product
- index or number of the change
- reason for the change
- the date of the start of the change

5.12. Labelling of parts after change

After implementing a change in pre-serial and serial parts and deliveries it is necessary to send an up-to-date product curriculum vitae with the first delivery of products and to label visibly the first 3 deliveries on their packaging with a yellow label “Parts after change” stating the index level of the part. In case of a temporary change (delivery within deviation), the part will be labelled according to the above-mentioned during entire time of lasting of the deviation unless agreed otherwise by both parties.

5.13. Labelling and documentation of pre-serial deliveries

It is always necessary to label parts and to provide the delivery with accompanying documentation (product curriculum vitae and other documents agreed at the beginning of the project). Non-fulfilment of demands is a reason for initialization of a complaint procedure according to the Tariff Rates for compensation of damages.

5.14. Special release – release of discrepancies

Any deviations from specifications of deliveries are not admissible. After the agreement with the Quality Department of the customer, in exceptional cases, based on a written application it is possible to grant a release limited for a certain time or quantity. The release must always be in written form. Supplier is obliged to label these deliveries visibly on their packaging with yellow labels „Parts released with deviation“. If additional costs arise to the companies of GUMOTEX group in connection with the approved discrepancy (e.g. higher amount of work, raised demands on inspection, etc.), the supplier is obliged to pay these costs based on cost calculation unless agreed otherwise by the both parties.

5.15. Requalification tests

Within the at least 3-year repeated inspection (since the initial sampling) of all products and components delivered to the customer, it is necessary to prove the characteristics (particularly the function, material and geometry) to the full extent of the initial sampling. If the requalification is demanded in the period shorter than 3 years, this will be specified in the Agreement on Quality Demands for Purchased Part.

In case of the safety (D/TLD and other) characteristics the requalification is demanded once every 12 months.

This evidence must be provided to the customer without being invited to do so and without any financial charge.

Delivered parts are naturally subject of further requalification tests – tests of assemblies performed by the companies of GUMOTEX group, eventually by the final customer. If the tests are incompliant for poor quality of delivered parts, the supplier pays all expenses connected with the occurred discrepancy (repetition of the test etc.), and at the same time the complaint procedure can be started on the part of the customer against the supplier regarding the parts delivered by the supplier since the last compliant test.

5.16. Tools

Valid contractual provisions between the customer and the supplier are in force for acquiring of equipment/tools. Suppliers undertake to label the equipment/tools properly and to store them professionally as well as to provide maintenance and to insure them.

In case of intentional or unintentional damage of these equipments/tools, the liable party bears unlimited liability with costs to the full extent including consequences.

5.16.1. Design and production of tools

Suppliers must use relevant technical means for the design, production and complete dimensional inspection of tools and templates. When passing them to a subcontractor, even the subcontractors must fulfil these demands in their liability as a supplier. Tools owned by the customer resp. own tools of the group GUMOTEX must be markedly and visibly labelled using delivered type plates.

5.16.2. Acceptance, approval of tools

Approval of a tool runs through the successfully finished initial sampling and successful R&R (2TP). Acceptance of the tool can be performed by an employee of the company of GUMOTEX group, straight at a supplier's plant if needed. Supplier is obliged to meet the agreed timing of the tool production. If jeopardy of deadline or increase of expenses occurred on the part of the supplier, the supplier is obliged to inform immediately the customer about this fact. The customer reserves the right to re-invoice all additional costs caused by the supplier's activity to the final customer eventually to the companies of Gumotex group.

5.16.3. Administration of tools

Suppliers must plan and implement the procedure for administration of tools.

This procedure must contain particularly the following criteria:

- tool curriculum vitae
- suitable system of storage
- documents about the preventive maintenance of tool
- storage of the last product until the following start of production on the tool
- proper labelling
- document about the operating life
- documents about repair work/adjustments

5.16.4. Test devices, gauges, measuring equipment

Test devices, gauges, and measuring equipment must be included in the supplier's control system of test equipment and be properly labelled and assigned to the product. It is necessary to prove the ability of measuring equipment within the initial sampling. Structure of test devices, gauges, measuring equipment, and measuring records must be agreed with the authorized quality dept., eventually with product developers. They must be designed to cover the entire period of the development of the product and production. Costs of test devices, gauges, measuring equipment, and measuring records are born by the suppliers. For all characteristics (SC, CC, D, TLD, IC, OS, HI) the suppliers must separately deliver the evidence of capability of the test and measuring means (MSA).

5.17. Traceability

Supplier is obliged to assure the complete traceability. It means it is necessary to label all products explicitly. If defective parts occur, the supplier must be able to set limits of the faulty delivery, parts, batch.

5.18. Targets of PPM

Target of agreements on PPM is the possibility to make transparent the process of continuous improvement based on measurable criteria not only for the supplier, but also for the companies of GUMOTEX group and the possibility to implement countermeasures in case of deterioration of the situation in the area of quality.

Agreements about the set targets are made within the Agreement about Quality Requests for Purchased Parts. These targets will be negotiated with suppliers through the Quality department.

5.19. Complaints

The companies of GUMOTEX group checks the products delivered by the supplier in terms of identity, keeping quantity, and apparent exterior defects.

Following discrepancies are taken into consideration within quality evaluation of deliveries:

- quality deficiencies discovered during the receiving inspection
- quality deficiencies discovered in the production
 - faulty deliveries
 - wrong labelling
 - default of ordered quantity
- a complaint on the part of the final customer caused by the supplier

In case of complaints, the suppliers will be informed by the customer through the Non Compliance Report including demanded timing for measures. Immediate reply and measures are expected from the supplier within the limit of 24 hours. Analysis and setting of remedial measurements (through the 8D report) is demanded particularly within the limit of ten working days unless agreed otherwise by both parties.

The ways of immediate solution can be following:

- if the defect is discovered during the receiving inspection from customer. Customer is entitled to return and to compensation of delivery, in case of lack of time to payment of costs of re-sorting eventually rework.
- if the defect is discovered as late as during the production, customer is entitled to compensation of serial costs (costs of defective work originated from delivered parts of poor quality, costs of idle time, costs of elongation of manufacturing time) besides the above-mentioned rights.
- if the defect is discovered as late as at the final customer (guarantee or complaint) the companies of GUMOTEX group are entitled to compensation of all costs arisen from it.

The procedure is always consulted with the supplier through the Quality Department in advance. In such cases, sanctions are applied according to the Tariff Rates for Compensation of Damages. If the supplier is interested, the companies of GUMOTEX group after agreement will enable the supplier to rework or to re-sort the parts directly at the customer. Replacement delivery must be delivered within 24-hour limit at the latest from reporting of the defect to the supplier. If it is possible to re-sort the delivery, it is necessary to organize a re-sorting action within 6-hour limit at the latest from reporting the defect.

In such cases sanctions are applied – see article 5.20.

5.20. Sanctions

In case of deficient quality caused by the supplier, the customer is entitled to assert stipulated rights to settlement of guarantee settlement. The Tariff Rates for Compensation of Damages, are attached in the annex of this document.

5.21. Escalation procedure

Escalation procedures are applied in case of non-compliance with requirements on the party of the supplier and occur in these cases:

- no reaction to the first reminder of the required action plan in connection with the evaluation of suppliers or with the process audit of supplier or sending of the 8D Report in case of a complaint
- 2x consecutively following classification „C“
- result of the process audit performed by the employee from Gumotex group is „C“, or 2x consecutively following classification „B“
- the supplier delivers parts with the safety characteristics and on a repeated request the supplier does not submit the result of the documentation audit (e.g. D/TLD) within 12 months
- non-delivery of following documents after reminder – report of the process self-audit, report of the audit of maintaining documentation of safety characteristics or non-delivery of information about changes of the Product Safety Officer
- non-notification of changes necessary for re-sampling according to the VDA.2 or PPAP
- in case of a repeated negative assessment of sampling (refused or compliant under reservation)
- in case of a repeated inconvenient audit of pre-series (R@R, 2TP)
- revocation of the certification of the company
- non-notification of important facts (bankruptcy, insolvency, enforcement...)

All above-mentioned cases can disqualify the supplier from the possibility to get a new order for the period of one year at least from the origin of the problem. These cases will be also solved according the Tariff Rates for Compensation of Damages at the same time. Repeated escalations can be the reason for cancellation of current orders.

6. Evaluation of suppliers

Suppliers directly influencing the final result are evaluated.

Evaluation is in principle not performed in case of suppliers, who deliver material for a single order, or further in case of suppliers with annual volume of purchasing less or equal to 100 000 CZK.

Indicators from field of logistics, purchasing, development, and quality management are explored for evaluation of suppliers. Authorized departments perform the evaluation, which is then summed up into the summary mark and this evaluation is sent to suppliers at regular intervals. An unsatisfactory result is one of the reasons to demand an improvement program from the supplier, performance of audit in the supplier's plant, and eventually for termination of cooperation with such supplier.

7. Environment

Supplier must assure that all materials and raw materials used in the production chain are complying with legal requirements as well as requirements on the part of final customers of the companies of GUMOTEX group, particularly for limitation of dangerous and forbidden substances (EU **Directive 2000/53/EC** regulating the End-of-Life-Vehicles, 2002/525/EG, 2005/63/EG, national laws, EU Directive 2002/95/EG).

Suppliers undertake to provide data about materials into the IMDS (International-Material-Data-System, see www.mdsystem.com) before the initial sampling. Suppliers are liable for correctness of their entry.

Raw material supplier must comply with the requirements of European legislation - Regulation (EC) No. 1907/2006 of the European Parliament and of the Council (REACH). At the same time, he must ensure the delivery of the Safety Data Sheet in accordance with this requirement and send it to the GTXA contact person without request when revising it.

The companies of Gumotex group have implemented the environment management system. Information about the EMS and the QMS is available on websites www.gumotex.cz.

8. Packaging

Packaging for serial parts eventually alternative packaging and its labelling including used materials is necessary to define and agree based on cooperation with logistics department of the customer.

Labelling of packaging must be done according to packing instructions agreed by the customer.

Supplier is obliged to notify any discrepancies. In case of arising additional costs on the part of customer the situation will be solved according to the Tariff Rates for Compensation of Damages. Supplier is liable for purity of delivered packaging units. In case of damage of any packaging units the customer reserves the right not to accept the delivery.

9. Provisions about secrecy and maintaining confidentiality

All information and data, or products provided by the employees of company GUMOTEX in connection with the fulfilment of the subject-matter of these deliveries must be handled as confidential information. The same rules are valid for obtained knowledge and in connection with the fulfilment of subject-matter of these deliveries

Confidential is not only information, knowledge, or materials expressly classified by the contractual parties as confidential, but also such information, knowledge, or materials whose notification – or even their announcement – might have had a negative impact.

This obligation to maintain confidentiality does not apply to such information, knowledge, or materials which were already publicly known at the moment of their supply or were known to the receiving party or came into general knowledge after their handover without fault of the receiving party or were made public by the third party in legal manners and without limitations regarding the confidentiality.

Delivered or elaborated background documents must be deposited in a secured place. Third party must not be even allowed to have access to such documents. The persons taking part in the elaboration of the subject-matter of deliveries must be obliged to maintain confidentiality. Handover of design data can only be done through data media, not in the electronic way.

If the supplier involves a subcontractor in fulfilment of his own contractual obligations in a lawful way, the supplier binds such subcontractor in accordance with the above-mentioned provisions about secrecy and maintaining confidentiality in written form.

In case of breach of obligation to maintain confidentiality the customer reserves the right to act according to the Tariff Rates for Compensation of Damages.

10. Final provisions – binding nature of the manual

This Supplier Manual is a part of the contractual relationships between GUMOTEX and suppliers without requiring the signing of this Manual. The Manual is already binding at the stage of demand /pre-contractual negotiations/. The current text of the Manual is available at www.gumotex.cz.

11. Abbreviations

APQP - Advanced Product Quality Planning

PPAP - Production Part Approval Process

MSA - Measurement System Analysis

FMEA - Failure Mode and Effects Analysis

D - safety characteristic under obligatory documentation

SC - significant characteristic - significant mark - obligatory SPC

IC - significant characteristic - significant mark - optional SPC

LAH Lastenheft – describes performance, demands, conditions of examinations, and testing, which must be fulfilled by the product being developed.

IMDS - International Material Data System, see www.mdssystem.com

EMPB/PPAP/PSV (record of initial sampling)

12. Annexes

Tariff Rates for Compensation of Damages

Agreement on Quality Requirements for Purchased Parts / Material – form

Logistics Manual

General Conditions of Purchase