

Supplier Manual

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1. Introduction

This manual sets out the conditions of cooperation between the supplier on the one hand and the 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 on the other hand.

If the following text mentions the GUMOTEX Group, the aforementioned companies are included, and may act as buyers in a specifically given contractual relationship.

The Supplier Manual is a legally binding document, which is part of the contractual relationship between the buyer – the GUMOTEX Group on the one hand, and the supplier on the other hand. The stated conditions are valid as early as in pre-contractual negotiations (i.e. the pre-contractual environment).

2. Purchasing Policy

Rapidly changing and increasing demands by customers with respect to their suppliers also requires our suppliers to have the highest possible flexibility and preparedness to contribute to solutions quickly and creatively. The suppliers' deliveries and services must fully meet all agreed and legal requirements.

Basic information about the supplier incl. a questionnaire concerning the fulfilment of the following requirements are obtained from the supplier via the "Supplier Fact Sheet", which is sent to the supplier before initiating a cooperative relationship. In the event the supplier is already an existing supplier of the GUMOTEX Group and this document has not been completed due to the absence of this document at the time of when cooperation was started, the supplier is asked to complete it via the purchasing department of the Automotive Division.

2.1 Requirements for the supplier's quality management system

Suppliers undertake to establish and maintain a quality management system in accordance with IATF 16 949 or VDA 6.1 (a prerequisite for suppliers of components and production materials). Compliance with these requests must be demonstrated to the customer by a valid certificate approved by IATF (third party). As an alternative, certification in accordance with VDA 6.1 is recognized.

In the event that suppliers do not have a certified management system in accordance with IATF 16949, they must at least have a certified management system in accordance with ISO 9001, with the ultimate goal of becoming certified in accordance with IATF 16 949.

In the event of a decertification process, the supplier is obliged to inform the purchasing department of the Automotive Division about this fact within five (5) working days of its initiation.

2.2 Zero-error strategy

GUMOTEX requires a zero-error strategy. In order to achieve this strategy, consistent planning of all preventative and control mechanisms in all phases of the product's lifecycle are essential, and this will be required of all links within its supply chain.

2.3 Specific customer requirements

Suppliers are committed to meeting the Specific requirements of all customers at all levels of the supply chain that are relevant to the given product. At the same time, they are also responsible for the transfer of these requirements within their own supply chain.

2.4 Cooperation

Strong business relationships are formed by setting common goals and sharing values. We want to strengthen partnerships with suppliers through transparency, cooperation, innovation and a focus on excellence. We see every supplier relationship as an opportunity to expand our organization and expand our business.

2.5 Respect and impartiality

As part of its long-term business activities, the GUMOTEX Group strives to respect its partners in all areas and apply the principles of impartiality. We encourage suppliers to take a similar approach and expect respectful, open, honest and timely communication.

2.6 Basic working conditions and human rights

The GUMOTEX Groups expects suppliers and subcontractors to provide working conditions that are in accordance with the applicable laws of the country with a focus on the following requirements:

- The use of child labor is prohibited. Relevant laws and regulations regarding the minimum age for obtaining a work permit must be observed.
- Suppliers are prohibited from using forced labor in any form.
- Suppliers must compensate their employees for wages and benefits that are in full accordance with applicable laws of the given country regarding minimum wages, overtime hours, regulating hours worked and statutory remuneration.
- Suppliers must implement anti-discrimination measures to ensure equal treatment of individuals or groups regardless of specific characteristics, including gender, race, color, ethnic or social origin, genetic characteristics, language, religion or faith, political or any other belief, belonging to a national minority, property, birth, disability, age or sexual orientation.
- Suppliers must fight any form of harassment toward employees, meaning abuse and inhuman treatment (or the threat of this sort of treatment), including any form of sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion, or verbal abuse.
- Suppliers must ensure that the right to peaceful assembly and freedom of association is exercised at all levels, which presupposes everyone's right to form and join trade unions in order to protect their interests. This also includes collective bargaining, as a process of negotiation between employers and a group of employees, with the aim of reaching an agreement regulating working conditions.
- Suppliers are expected to set up processes that allow for confidential and anonymous whistleblowing without repression.

2.7 Health and safety

The GUMOTEX Group expects suppliers to support the health and safety of their employees and their assets. Suppliers must ensure that policies and training are in place in order to help individuals protect themselves as well as the surrounding assets to prevent accidents and injuries. Our commitment to safe practices extends throughout our supply chain. All products and services provided by suppliers will be safe and reliable, and will also be in accordance with all applicable government laws, regulations and standards related to motor vehicle safety.

The ISO 45001 certification, a standard for the management of occupational health and safety, is supported, but is not yet generally required; however, it may be a nomination condition in some projects, as some final customers have added this requirement into their specific customer requirements.

2.8 Environment

The GUMOTEX Group believes that a sustainable future and the protection of our environment can only be achieved through the joint efforts of industry, government and the Group as a whole. We are committed to

environmental responsibility, which leads to sustainability. The GUMOTEX Group has an environmental management system in place. For more information, please visit the website www.gumotex.cz.

To ensure that our products and processes are environmentally sustainable, we expect our suppliers to:

- Comply with all environmental laws and regulations
- Apply processes into all production and non-production activities, which
 - enable waste prevention and promote the efficient use of resources,
 - lead to a reduction in drinking water consumption and a reduction in the amount of wastewater,
 - use recyclable materials from their own or external sources,
 - focus on reducing greenhouse gas emissions,
 - use renewable energy sources or use sources with less impact whenever possible.

A high supplier grade score can be reached if the supplier follows the environmental management system in accordance with the ISO 14001 standard, supported by a certificate. This certification may be a nomination condition in some projects, as some final customers have added this requirement into their specific customer requirements.

2.9 Conflict minerals

The GUMOTEX Group requires suppliers to comply with all laws regarding the responsible purchase of conflict minerals (Dodd-Frank Act).

It is a restriction on the mineral trade from areas of war, which serve to finance these conflicts. These are especially sources of tin, tungsten, tantalum and gold. Suppliers are required to review their supply chain and report the use of conflict minerals.

The supplier must declare the status of the conflict minerals using the common conflict mineral reporting template (CMRT). The latest version of the CMRT is available at: www.conflictreesourcing.org/conflict-minerals-reporting-template/. Only the current version of the CMRT will be accepted, and must be completed in full, with a list of all steel mills in the supply chain.

Suppliers will also contractually require their supply chains to comply with these regulations.

2.10 Use of chemicals and prohibited substances

The GUMOTEX Group requires suppliers to take all appropriate measures for safe production, processing, transport, use and handling of chemicals, which may pollute the environment, or endanger health or property.

The registration, evaluation and authorization of chemicals must take place in accordance with REACH Regulation ES No. 1907/2006.

Suppliers must provide all required information regarding chemicals, including all safety data sheets. Their updated versions must be sent out without reminder to the purchasing department of the GUMOTEX Group.

Suppliers must ensure that all materials and raw materials used in the supply chain comply with the legal regulations, as well as the requirements of the GUMOTEX Group's final customers; in particular, the area of restricting dangerous and prohibited substances (EU Directives 2000/53/EG, 2002/525/EG, 2005/63/EG, national laws, EU Directive 2002/95/EG, Global Automotive Declarable Substance List (GADSL)).

Suppliers undertake to enter data about materials that are part of the supplied product into the IMDS (Internationales-Material-Daten-System, see www.mdsystem.com) within the first sampling at the latest, and guarantee the correctness of the inputted data.

2.11 Protection of confidential information

Suppliers must comply with all applicable data protection and consumer protection laws.

All information and documents, or products provided by employees of the GUMOTEX Group, in connection with the performance of the subject of the contractual relationship must be treated as confidential information.

Not only is information, knowledge or materials defined by the parties as confidential, but also such information, knowledge or materials, the disclosure of which – especially their publication – could have negative consequences. This obligation of confidentiality does not apply to information, knowledge or materials that were already publicly known at the time of transmission, or at least was known to the receiver, or were lawfully disclosed by a third party, without restrictions on confidentiality.

Submitted or prepared material must be stored in a secure place. It cannot be made available for inspection by a third party. Workers involved in drafting the subject ordered must be bound by professional secrecy. The transmission of the design can only take place via data storage, not electronically.

If the supplier legitimately involves subcontractors in the performance of the contractual obligations, the subcontractors shall be bound in accordance with the aforementioned provisions on confidentiality, in writing.

In the event that the supplier breaches the confidentiality obligation, the customer reserves the right to proceed in accordance with the applicable legislation and, at the same time, claim compensation in accordance with the applicable Tariff for Damages.

2.12 Business ethics

The GUMOTEX Group applies the principle of compliance with competition rules and expects this from its suppliers as well.

GUMOTEX requires its suppliers to:

- comply with all applicable **anti-corruption** laws and regulations. Anti-corruption laws require the adherence to prescribed accounting and internal controlling standards, and the application of severe sanctions. Suppliers may not use their corporate assets as a bribe in order to obtain new business, retain business, or gain any undue advantage for any private person (including any GUMOTEX Group employee),
- minimize the risk of using **counterfeit parts and materials** in supplied goods. It is also expected that they will create effective processes for the detection of counterfeit parts and materials. In the event of such detection, these materials are secured and the original equipment manufacturer (OEM) is informed and/or encourages enforcement where necessary,
- comply with applicable **intellectual property** laws,
- prevent **conflicts of interest** within their activities, where an individual or legal entity is in a position to use their expert or official means for the purpose of personal or corporate gain.

2.13 Import and export area

The GUMOTEX Group expects suppliers to adhere to all applicable international trade laws, including import and export control regulations, and to comply with sanctions and boycott laws in any country in which they do business.

3. Supplier selection, request and nomination

When selecting a supplier, the factors considered are the quality management system certification, experience in the Automotive industry and references, financial stability, required technologies, competence for design and development, production competence, logistics processes, and a history of cooperation with the GUMOTEX Group.

When selecting suppliers for a new product/material, suppliers can be selected from:

- a list of approved suppliers (who supply or have supplied the given product group to the GUMOTEX Group),
- a list of potential suppliers (who have been qualified as possible suppliers of the given product group on the basis of completing the “Supplier Fact Sheet” document, and initial data verification, i.e. by visiting or by conducting a potential analysis, etc.),
- completely new suppliers, if there are not any suitable choices in the aforementioned lists (the supplier shall then complete the “Supplier Fact Sheet”, data verification will follow, i.e. by visiting or by conducting a potential analysis, etc.).

Selection does not take place if the selected supplier is nominated by the customer of the GUMOTEX Group. Nevertheless, even in this case, the supplier is asked to complete the “Supplier Fact Sheet” and subsequently, GUMOTEX may verify the data in the document, i.e. by visiting or by conducting a potential analysis, etc.

However, for all the aforementioned cases, all relevant requirements stated in this Supplier Manual and related documents are binding without distinction.

In case of non-compliance with the mandatory requirements, the supplier may be excluded from the list of approved or potential suppliers in accordance with point 7 – Escalation procedure.

3.1 Requesting suppliers

In the event that a supplier has been pre-selected as a participant in the tender for a supplier of serial deliveries, a Non-Disclosure Agreement is closed with the party.

Then, the supplier is sent a Request Form incl. any attachments (e.g. drawing, data, etc.). The supplier is expected to carry out a feasibility and manufacturability review in accordance with IATF 16949, and to communicate any negative findings with the purchasing department of the Automotive Division. Subsequently, the supplier completes and sends the Price Analysis (QAF) and Capacity forms.

Based on the tender carried out in GUMOTEX, suppliers are informed about the result by the purchasing department of the Automotive Division.

3.2 Contractual relationship and nominating suppliers

Suppliers that have not yet concluded a framework purchase contract, but have been selected for serial deliveries, must now enter into such a contract.

Subsequently, supplier nomination takes place for the supply of specific parts/components in the form of nomination letters.

In the case of raw materials, the business relationship with the supplier is resolved only in the form of a framework purchase contract, and the nomination of supplying specific materials can be resolved in the form of an appendix.

An essential part of the nomination in both cases is the conclusion of the following documents:

- Agreement on the qualitative requirements of the purchased part or material
- Logistics concept

Before the SOP, the following documents are concluded with the supplier (if relevant for the given part/material)

- Contract for work
- Tool loan agreement
- Packing instructions

4. Requirements for prototype, pre-serial and serial delivery

(for material suppliers, only points 4.12, 4.15, 4.16, 4.19, 4.20 are relevant in Part 4)

The development of the product or process must be planned and implemented in cooperation with the GUMOTEX project team according to the final customer’s relevant requirements (methods APQP (AIAG) or RG (VDA)).

Suppliers will, on their part, assemble a cross-cut project team corresponding to the scope of the given product. The composition of the project team, including contacts, are sent to the purchasing department of the Automotive Division after the nomination.

Based on the main milestones set by GUMOTEX, the supplier prepares a project schedule, which is approved by the GUMOTEX project manager. In the event of any change that would have an impact on the milestones set by GUMOTEX, the supplier must include this in an update of the schedule and have it approved by the GUMOTEX project manager.

4.1 Specifications / drawings

Suppliers undertake to:

- provide and comply with legal regulations, all specifications and technical requirements and standards, as amended,
- provide and fulfill technical requirements,
- establish special signs and necessary parameters for process capacity (in mutual agreement with the customer's quality department as linked to the requirements of the final customer),
- draw attention to missing information (e.g. specifications, standards),
- draw attention to the incompleteness of documentation and inform the purchasing department of the Automotive Division.

4.2 Parts with special characteristics (D, SC, IC)

An increased awareness of **safety** has led to stricter international legislation, non-compliance with which could lead to damaging health or property, and subsequently to other actions (recalls, exchanges, sales bans, sanctions). Other categories of special characteristics, which are significant e.g. in terms of further processing, installation, prevention of qualitative issues during use, etc., are also defined.

To prevent such cases, an effort is made to address these characteristics at the beginning of the project – they are defined in the technical specifications. The supplier is obliged to review these characteristics and, if necessary, to add others based on the level of knowledge.

These characteristics must then be marked and must be handled in accordance with IATF 16949, the GUMOTEX Group, and customers of the GUMOTEX Group throughout the entire supply chain.

Safety characteristic	Safety characteristic or legislative requirement	D	Safety characteristic Critical characteristic
Key / Significant characteristic	Mandatory SPC	SC	Significant characteristic
Other important characteristic	SPC not mandatory, presented during patterning and requalification	IC	Important characteristic

Satisfactory values of safety characteristics must be submitted as part of the sampling, then they must be documented 1x per year with an appropriate test report and sent to the GUMOTEX quality department.

In the case of safety characteristics, all documents that are relevant to the documentation of these characteristics must be archived in accordance with the VDA1 methodology, ensuring an archiving period of **at least 15 years after the end of use of the document**, unless otherwise specified.

The supplier must appoint a Product Safety Conformity Agent (PSCR); in case products with safety characteristics are also supplied, then a deputy must also be assigned. External training of this staff and the VDA QMC certificate are required.

Products with safety characteristics, where the final customer is the VW Group, are referred to by the VW Group as D/TLD parts. In this case, the VW Group has extended its requirements beyond the standard and law, and

requires its suppliers to perform self-audits of D/TLD parts document management as per the Formel Q – capability methodology. Suppliers affected by this requirement are obliged to perform this self-audit, archive the results for 15 years, and send the results to the purchasing department of the Automotive Division (including follow-up measures if one or more questions are rated “no”). The audit must not be older than one year.

In the event the company is liquidated or insolvency, the GUMOTEX Group is entitled to all documents related to documentation about products supplied to the Group, if the prescribed archiving period has not yet expired.

Suppliers are obliged to allow GUMOTEX to check the status of the documentation at any time upon request, and to inspect all relevant documents and copies.

4.3 Process flow chart

At an early stage, the supplier must create a detailed plan of the material flow ending with the final product, including all production and control steps, and must map this process in a flow chart.

4.4 FMEA

FMEA (Failure Mode and Effects Analysis) is a team methodology used to minimize the risks of development and planning procedures, and requires interdisciplinary cooperation among individual departments.

Its aim is to identify and evaluate a possible product or process defect and its consequences. Then, to determine measures, which could reduce the probability of the defect and document the entire procedure.

Suppliers are required to process:

- the Design FMEA only if they are responsible for the development. A representative of the Automotive Division must approve whether it is needed or not,
- the Process FMEA in all cases, for individual steps defined in the process flow chart,
- other FMEAs based on the requirements from final customers (e.g. Logistics FMEA); this requirement shall be defined at the start of the project.

Suppliers are required to have a harmonized FMEA methodology. The FMEA must be an evergreen document and must be updated in regular time intervals or on the basis of a qualitative incident or in the case of a change in product or process.

The GUMOTEX Group reserves the right to inspect the FMEA or ask for the faults with the most serious evaluation incl. measures.

4.5 Traceability

From the beginning of the project, the supplier is required to plan all steps related to the request for traceability.

4.6 Planning tests and checks in the prototype and pre-series phase

On the basis of all presented specifications (drawings, technical specifications, part request (LAH), ...), the supplier is obliged to develop a schedule of tests and trials in each individual phase of the project, considering the feasibility and significance of these tests in the individual phases. Based on experience, the plan must also take into account individual optimization loops.

This plan is subject to approval by the GUMOTEX quality department and must be presented in an updated version at agreed time intervals.

As part of this presentation, reports from tests and trials already performed must be included. They must include all the prescribed requirements, incl. the decision “pass/fail”. If the result is unclear, this decision is clarified following further discussion with GUMOTEX. In the case of a negative result, further action shall be agreed upon in cooperation with GUMOTEX, and the plan shall be updated. The supplier is fully responsible for tests carried out by the supplier (including any additional costs).

Tests and trials, which the suppliers cannot carry out in their own facility (or in cases where GUMOTEX's customer clearly requests external testing), will be carried out externally only in accredited laboratories and testing facilities, or in laboratories and testing facilities approved by the customer.

The supplied products are naturally subjected to other tests – set trials, carried out by GUMOTEX or its customers. In case these trials turn out to be unsatisfactory due to the poor quality of the supplied product, the supplier must implement corrective actions, deliver optimized products, and then cover all costs associated with repeating the trial.

The supplier also pays for all additional costs in the event that the supplier does not deliver the necessary products for testing to GUMOTEX in accordance with the agreed schedule.

4.7 Control plan

The control plan provides an overview of all the checkpoints of a product and process, and must contain all data defined in the appendix to the IATF 16949 standard. Control plans must be drafted for the prototype (if applicable), pre-serial, and serial phases of production.

The special characteristics defined at the start of the project and defined in the FMEA must be transferred into this plan.

4.8 Proof of capability

The capability study expressed by the following parameters is used to assess whether the key characteristics, processes, equipment and meters are eligible to be used in conducting the necessary work.

The following limits apply to the demonstration of individual capabilities, unless otherwise specified at the beginning of the project:

Machine capability (equipment) – min. 50 values	Cmk >1.67
Preliminary process capability (SC characteristics)	Ppk >1.67
Preliminary process capability (safety characteristics)	Ppk >2.00
Long-term process capability (SC characteristics)	Cpk >1.33
Long-term process capability (safety characteristics)	Cpk >1.67
Meter capability	Cgk >1.67

Proof of capability must be provided to the customer at no charge and issued upon request.

If the aforementioned capability requirements are not met, the supplier must contact the quality department of the Automotive Division and draw attention to this negative trend; at the same time, the supplier must take the appropriate steps to meet the requirements.

If the required capability values have not been reached, all manufactured products must be 100% inspected for the given characteristic and the results must be recorded.

4.8 Product and process biography

Suppliers must keep a product and process biography for all products that are the subject of a contractual relationship between the supplier and GUMOTEX. These documents shall include all changes made to the products and production processes. The biographies are drafted at the start of the project and are kept until EOP.

The product biography must include at least the following information:

- drawing number,

- product name,
- index or change index,
- reason for the change,
- starting date of the change,
- date of first delivery to GUMOTEX.

4.9 Marking parts after a change

After making changes to the pre-series and series products, it is necessary to send an updated version of the documents in the case of pre-series parts (see 4.10), and in the case of series parts, it is necessary to always have the sampling approved by GUMOTEX for the given change with at least the “conditionally released” grade /Note3. At the same time, it is necessary to visibly mark the packaging of the first three deliveries with yellow stickers of size A6 or larger with the text “Parts after change” and indicate the part’s index status.

4.10 Marking and documenting pre-serial deliveries

In the case of pre-serial deliveries, it is always necessary to mark the parts with the generation status in accordance with the product’s biography and supplement the delivery with accompanying documentation (product biography and other documents that were agreed upon at the start of the project). Failure to meet requirements is cause for initiating a complaint procedure with sanctions according to the applicable Tariff for Damages.

4.11 Process approval – “Two-day production”, R&R before starting serial production

Compliance with all product and process development requirements must be demonstrated with the procedural series. This measure should provide proof that the supplier is able to meet the contractual requirements regarding product quality and quantity, process and product safety, and compliance with delivery dates. The grade is as follows:

Process approved without reservations	Green
Process approved with reservations	Yellow
Process not approved	Red

This process approval will take place as follows: the supplier shall carry out an internal inspection, the results of which will be provided to the customer. Based on these results, an inspection arranged by mutual agreement shall be conducted by an employee of the GUMOTEX Group.

In the case of a yellow or red grade, it is necessary for the supplier to draw up an action plan and define the date of the repeated procedural series.

In the event that the ability of the supplier to ensure serial production before SOP, the supplier shall bear all additional costs and sanctions associated with non-compliance with the requirements of GUMOTEX and its customers.

4.12 Sampling

This is a standardized procedure for releasing the production process and product, the aim of which is to verify the readiness to meet GUMOTEX and its customers’ requirements in quality, quantity and time in the period before SOP (sampling) and in the case of changes to serial production (resampling).

Within the sampling framework, documentation in a defined scope and sample parts are submitted.

Sampling terms are defined in the Nomination Letter. Sampling is conducted according to the VDA2 or PPAP methodologies according to the requirements of the final customer. The methodology and scope of sampling are defined in the Agreement on Qualitative Requirements for the Purchased Part/Material. The contact person is the relevant employee of the quality department of the Automotive Division.

Sample production for sampling must take place under the conditions of serial production, with serial machines, jigs, gauges and in facilities intended for serial production. If several identical tools or molds or multiple molds (nests) are used, it is necessary to measure and separately model at least 5 pieces from each mold or each nest position, unless otherwise specified. If combinations of parts are created as a result of assembly, it is necessary to include these combinations in the sampling procedure as well. Sampled parts must be marked with “first samples” and properly described (part name, part number, drawing status, generation status, date, supplier name, mold number).

Parts for first sampling and documentation for sampling in the required amount and scope must be delivered on time, at no extra cost, and sent to the quality department of the Automotive Division. In the event the deadline is not met through the fault of the supplier, sanctions will be applied according to the applicable Tariff for Damages, including additional costs incurred by GUMOTEX and its customers.

The sent parts and documents within the sampling framework are assessed by professional departments of the GUMOTEX Group and, subsequently, the evaluation is sent to the supplier by the quality department. Evaluation can be as follows:

Sampling complies without reservations	Parts may be delivered; further resampling will be conducted only in the cases mentioned in the previous paragraph, or as part of requalifying.
Sampling complies with reservations (conditional release)	Parts may be delivered; further resampling after optimization is required with an agreed deadline (usually within 3 months).
Sampling does not comply	Parts may not be delivered; a robust action plan must be set up and resampling must take place as soon as possible.

Release of sampling by GUMOTEX does not rid the supplier of liability for non-compliant products.

Reasons for first sampling and resampling are mainly:

- new parts,
- technical changes (changed parts, changed specifications),
- changed of supplier’s production site,
- changes in the subcontractor supply chain,
- changes to the production process (e.g. parameters, processes, procedures, layouts, etc.),
- production break longer than 12 months,
- requalification.

The supplier shall provide sampling if the aforementioned situations occur, without reminder. In the event that the supplier does not inform the customer about changes that are cause for resampling, an escalation procedure shall be initiated with the supplier, where sanctions according to the applicable Tariff for Damages.

In the event of unsuccessful sampling (repeatedly complying with reservations or non-compliance), the supplier is subject to sanctions according to the applicable Tariff for Damages.

4.13 Tools

Valid contractual arrangements between the GUMOTEX Group and the supplier apply for acquiring tools. The A Contract for Work – Tools is concluded with the supplier. Milestones for production and delivery of products from the tools are also defined in the Nomination Letter. A Tool Loan Agreement is subsequently signed with the supplier.

In the event of intentional or unintentional damage to these tools, the supplier bears full liability throughout the entire chain, including costs.

4.13.1 Tool design and production

Suppliers must use appropriate technical means to design, manufacture and have complete dimensional control over the tools. In case of transfer to a subcontractor, they too must meet these requirements for supplier responsibility.

Tools owned by a GUMOTEX customer or tools owned by the GUMOTEX Group must be clearly marked with supplied serial labels. The supplier must also bind its subcontractors with a Non-Disclosure Agreement.

4.13.2 Acquisition, tool approval

GUMOTEX usually approves a tool in several stages:

- design approval,
- approval of products before the final surface treatment of the tool on the basis of parts delivery with a dimensional report,
- approval of products from the final tool - sampling.

Partial tool release before product delivery to GUMOTEX can, if necessary, be performed by an employee of the GUMOTEX Group directly at the supplier.

The supplier is obliged to adhere to the tool's agreed production deadline. Should there be an increase in cost or the deadline be at risk from the supplier's side, the supplier is obliged to immediately inform the GUMOTEX project manager about this fact.

The GUMOTEX Group reserves the right to charge the supplier for all additional costs that the supplier causes to the final customer or GUMOTEX by failing to comply with the production requirements and tool approval.

4.13.3 Tool management

Suppliers must implement processes for the management of tools, which are owned by the GUMOTEX Group or its customers, and include the following:

- completing the tool biography,
- ensuring an appropriate storage system,
- following requirements for preventative maintenance,
- keeping records of modifications and repairs,
- checking and storing the last piece,
- releasing the tool after re-use and after repair/modification,
- marking appropriately,
- keeping records regarding the tool's lifecycle (cycles, pieces).

4.14 Control devices, gauges, measuring instruments

The supplier must include control devices, gauges, and measuring instruments in the control system of test equipment; they must be appropriately marked and assigned to the product.

Their product control capabilities must be proved during the first sampling. For all special characteristics (SC, D), the supplier must individually submit proof of capability for the testing and measuring instruments (MSA or VDA 5 according to the final customer).

The structure of the control devices, calipers, gauges and measurement records must be approved by the quality department of the Automotive Division.

The supplier bears the costs of the control devices, calipers, gauges and measurement records.

4.15 Delivery and packaging

Requirements for deliveries and packaging, including documentation included with deliveries and package markings are defined in the Logistics Manual and the Logistics Concept. These documents are an integral part of nomination documents.

A detailed packing procedure is specified and possibly optimized during the course of the project, and must always be approved by the logistics department of the Automotive Division. The final approval then takes place as part of the sampling process.

The supplier is responsible for the cleanliness of the delivered packaging units. In the event a packaging unit is damaged, the customer reserves the right to reject the delivery.

In the case of non-fulfillment of the requirements due to the fault of the supplier, the situation is resolved by GUMOTEX as a logistics complaint toward the supplier, incl. all sanctions and additional costs applied by the GUMOTEX Group and its customers in accordance with the Tariff for Damages.

4.16 Special release – deviation release

Deviations from the delivery specifications are not permitted. Upon agreement with the customer's quality department, in exceptional cases (there is no impact on the quality of the final product, or it is approved by GUMOTEX's customer) and on the basis of a written requests, it is possible to grant a time- or quantity-limited release. Always in writing. The supplier is obliged to visibly label such deliveries with yellow "Deviation" stickers. In the event that GUMOTEX incurs additional costs (e.g. increased labor, increased inspection requirements, etc.), the supplier is obliged to reimburse these costs on the basis of quantification, unless both parties do not agree otherwise.

4.17 Requalification tests

To ensure quality, the supplier must carry out regular requalification of its supplied products. The GUMOTEX Group requires complete requalification according to drawings depending on the final customer (OEM), usually in the following timeframes:

- BMW, JLR, PSA, Porsche complete requalification – 1x/year,
- Other complete requalification – 1x/3years, D characteristics 1x/year

For each specific product/material, the frequency is specified in the Agreement on Quality Requirements for the purchased part/material and the scope and method of execution can be detailed in the Requalification Test Plan, which is submitted as part of sampling.

This evidence must be submitted to GUMOTEX without reminder and without financial burden. In the event results of requalification tests are not submitted after the first reminder, an escalation procedure is initiated with the supplier.

The supplied products/materials are, of course, subject to further requalification tests – set testing, which is conducted by GUMOTEX or its customers. In the event that these tests are unsatisfactory due to the poor quality of the delivered product/material, the supplier covers all costs associated with the unsatisfactory test result (e.g. re-testing, etc.).

In the case of unsatisfactory requalification test results, the supplier is obliged to send an action plan incl. the deadline for submitting the repeated requalification test, without reminder. At the same time, a complain

procedure can be initiated by GUMOTEX against the supplier for parts that have been delivered by the supplier since the last satisfactory test.

4.18 Product audit

With the help of a product audit, deviations from customer requirements can be identified, and processes with issues can be targeted, analyzed, and remedied through implemented corrective measures.

The supplier is obliged to conduct a product audit according to VDA 6.5. A product audit must be conducted at least once every twelve months for each product manufactured in a series. For the sake of simplification, product groups can be created from the entire portfolio of manufactured products.

In case of deviations found during the product audit, the supplier is obliged to immediately implement appropriate corrective actions and to check their permanence and effectiveness within a reasonable period of time, e.g. a repeated audit.

In the case of type A or B defects, as well as type C system defects (defect classification according to Formel Q), the supplier must immediately inform the relevant quality department of the Automotive Division without reminder. The implementation of other necessary measures must be mutually approved.

4.19 Agreement on the qualitative requirements of the purchased part or material

This agreement is concluded with the supplier for a specific product or project. It is an integral part of nomination documents.

The aim of this agreement is to clarify the requirements for product/material quality and the method of documenting evidence about achieved qualitative indicators, and other documents with regard to the specification of the supplied product/material.

An integral part of this agreement is also the definition of the scope of sampling for a given product/material, and the setting of targets for the quality of supply indicator – ppm.

4.20 Complaints

In the event that the supplier delivers products/material, which does not meet the requirements, a complaint procedure is initiated with the supplier. Based on the nature of the defect, we divide defects into

- Defects detected during the logistics acceptance in GUMOTEX – addressed by the logistics department of the Automotive Division.
Specifically, the following defects – shipping label from the supplier does not comply with the approved packaging regulations, the label is in the wrong place, parts are damaged due to transport or weather conditions, incorrect or missing delivery documentation, damaged or dirty packaging, incorrect amount of packaging units, late delivery, etc.
- Defects detected during qualitative input acceptance in GUMOTEX, during processing in GUMOTEX and at customers of the GUMOTEX Group – addressed by the quality department of the Automotive Division.
The following defects – the supplied material does not correspond to specifications, it is not packaged in accordance with the packaging regulations, the package label does not match the contents.

Suppliers are informed about the defect in the form of a Complaint Report. Immediate action must be taken by the supplier within 24 hours (depending on the severity of the defect).

Immediate action is taken so as to minimize downtime in downstream processes in GUMOTEX (production and to minimize the risk of endangering deliveries to GUMOTEX customers.

The first step is always the request for a new suitable delivery from the supplier as soon as possible, made by the logistics department.

For this replacement and the next two deliveries, labels indicating that a 100% inspection has been made for the claimed defect are required, incl. the date of the inspection, the specific employee who performed the inspection. Very often, it is not possible to wait for a satisfactory delivery because production and customer would have to stop, or the unsatisfactory material has already been partially processed, sometimes even delivered to the customer.

Then, it is necessary to resolve the non-conforming delivery by sorting, reworking or processing the material for deviations. It is often necessary to address the deviation with respect to the customer of the GUMOTEX Group.

Subsequently, an analysis of technical and system causes leading to the defect and its non-detection must be processed (using an Ishikawa diagram, 5-why), and the determination of appropriate corrective and preventative measures must be drawn up within 10 working days (the supplier shall define everything in the 8D report), unless parties agree otherwise.

Following the implementation of the measures, the supplier shall send proof of the implementation without reminder within the deadlines defined in the 8D report.

Failure to deliver the necessary documents to GUMOTEX after the first reminder is reason for initiating an escalation procedure and applying sanctions.

All sanctions and additional costs associated with the complaint procedure applied by the GUMOTEX Group and its customers are charged to the supplier in accordance with the Tariff for Damages.

4.21 Warranty

GUMOTEX points out that suppliers will be charged for the costs of defective products during the warranty period as part of their liability as identified by our mutual customers (complaints from the service network). Suppliers will be informed immediately after finding the costs attributable to them, as a standard in the form of a complaint report.

When resolving complaints from the service network, it depends on the standards valid for individual final customers and related procedures.

The warranty period is 24 months from vehicle registration. The Nomination Letter shall cover cases where the periods may differ.

4.22 Continuous improvement

Continuous improvement must be part of each supplier's quality strategy.

GUMOTEX expects active supplier participation in improving procedures, processes and products, with the aim of continuously improving the entire system. The results of continuous improvement must be demonstrated as cost savings or improvements in the quality of products and deliveries.

5. Supplier audits

The supplier is obliged to perform a process self-audit according to the VDA 6.3 methodology and submit its results once every 12 months by sending a report to the purchasing department of the Automotive Division. In the event that the final customer is the VW Group, the supplier is obliged to perform this process audit once every 12 months according to the Formel Q methodology. If an A grade is not achieved, the supplier is obliged to also send an action plan and date of the repeated audit with the aim of achieving an A grade. Subsequently, the supplier is obliged to send the results of the repeated audit. If the result of a process audit is a C grade or repeated (2x) B grade, an escalation procedure is initiated with the supplier.

Suppliers, who supply products with safety characteristics (D/TLD parts) and the final customer is the VW Group, are obliged to conduct self-audits of D/TLD parts documentation according to the Formel Q methodology – send capabilities and results to the purchasing department of the Automotive Division (incl. follow-up measures if 1 or more questions were rated as “no”). The audit must be no older than 12 months.

GUMOTEX reserves the right to perform a customer audit on the basis of supplier notifications in accordance with the requirements of ISO 9001, IATF 16949, VDA 6.3. or Formel Q.

In particular, the situations for such an audit may be:

- selection/qualification of new suppliers (potential analysis),
- verification of a supplier's self-audit results,
- request from a customer of the GUMOTEX Group,
- problems with product quality or deliveries in serial production,
- unsatisfactory supplier grade by GUMOTEX,

- resulting grade of the self-audit was B (2x in a row) or C,
- the resulting grade of an audit conducted by GUMOTEX was B or C.

Suppliers undertake to eliminate deviations from the audit in a timely manner, and to inform the customer about the method, dates and implementation of deviation elimination via the improvement program/action plan.

Audit result \geq 90%	grade A – qualitatively eligible
Audit result \geq 80% to 89%	grade B – conditionally qualitatively eligible
Audit result $<$ 80%	grade C – qualitatively ineligible

6. Supplier evaluation

Suppliers who supply material/products that directly affect the final product are evaluated.

To evaluate suppliers, indicators from logistics, purchasing, R&D and quality departments are investigated. The relevant departments are evaluated, and this grade is then combined into a total score, which is then sent to suppliers at regular intervals. In the case of grade B or C, the supplier is asked to draw up an action plan within 10 days of sending the grade. In the event an action plan is not presented after the first reminder, or in the case of 2 consecutive C grades, an escalation procedure is initiated with the supplier.

7. Escalation procedure

The escalation procedure by GUMOTEX is applied in the event of a supplier's fundamental non-compliance with the requirements and occurs in the following cases:

- 2 consecutive supplier audits with a C grade,
- a grade C result after a process audit conducted by a representative of the GUMOTEX Group or 2 consecutive B grades,
- failure to send the following documents after the reminder:
 - action plan in response to a supplier audit with a B or C grade,
 - action plan in response to a process audit or potential analysis conducted by GUMOTEX,
 - 8D report for a complaint incl. detailed steps,
 - report from a process self-audit (incl. an action plan in the case of a B or C grade and a date of a repeated self-audit),
 - report from a D/TLD parts documentation audit (incl. action plan if 1 or more questions were rated as "no"),
 - report from a repeated process self-audit,
 - results from requalification tests (incl. action plan in the event that any of the tests failed),
- no notification of a change in PSCR worker and his/her deputy,
- no notification of changes that are necessary for resampling according to VDA 2 or PPAP,
- when sampling results are "rejected" or repeatedly "comply with reservations",
- in case of repeated unsatisfactory evaluation of the process series (internally and by the GUMOTEX Group),
- withdrawal of the Group's certification,
- violation of trade secrets and ethics,

- failure to report serious facts (bankruptcy, insolvency, seizure, etc.).

All of the above cases may exclude suppliers from the possibility of winning a new contract.

In the case of repeated escalations, this can serve as a reason to withdraw from existing orders.

In the event of non-compliance with the aforementioned requirements, requirements for quality, timeliness and completeness of deliveries by the supplier, the GUMOTEX Group is entitled to apply additional costs and sanctions. The Tariff for Damages is in the appendix to this document.

8. Declaration of supplier's consent

This supplier manual is part of the contractual relationships between the GUMOTEX Group and its suppliers, without requiring the signature of this manual. The manual begins to apply as early as the inquiry (pre-contractual discussions). The latest version of the manual is located on the GUMOTEX website: <https://www.gumotex.cz/en/korporatni-dokumenty/>.

9. Acronyms

APQP (Advanced Product Quality Planning)

PPAP (Production Part Approval Process)

MSA (Measurement System Analysis)

FMEA (Failure Mode and Effects Analysis)

D (safety characteristic requiring mandatory record keeping)

SC (significant characteristic) – obligatory SPC

IC (significant characteristic) – non-obligatory SPC

LAH (Lastenheft – describes the performance, requirements, test and trial conditions that a product must meet)

IMDS (International Material Data System, see www.mdssystem.com)

PPAP (Production Part Approval Process)

10. Appendices

Tariff for Damages

Logistics Manual

General Terms and Conditions of Purchase