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SUPPLIER QUALITY MANUAL

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This manual outlines minimum (non-negotiable) requirements for all HYDRO Extrusion Poland Sp. z o.o. (hereinafter referred to as HYDRO) Suppliers and provides guidelines that must be adhered to in order to guarantee the highest standards of supplies.

It is based on the standard quality management requirements in the automotive industry IATF16949:2016 and all HYDRO Suppliers must be compliant with it.

HYDRO recommends that its Suppliers acquire and use actual basic reference manuals (so called core tools), that is:

- Advanced Product Quality Planning (APQP),
- Production Part Approval Process--(PPAP),
- Failure Modes and Effects Analysis (FMEA)
- Measurement System Analysis (MSA),
- Statistical Process Control (SPC),

1. Introduction

HYDRO appreciates that Suppliers are crucial for its future. Our success depends on the quality of the products and services of our Suppliers. The purpose of this manual is to provide our Suppliers with the explanations and guidelines on all the aspects required by the IATF 16949:2016 standard.

Objectives:

- To ensure that HYDRO collaborates exclusively with Suppliers that manage its plants, processes, people and systems in order to meet its client's expectations in terms of costs, quality and supply.
- To ensure that Suppliers develop, implement and maintain a product quality plan that encourages product improvement.
- To establish a method of clear communication of HYDRO's requirements to the Suppliers.

1.1. Issue Requirements

The Supplier Quality Manual (SQM) is referred to in the contract with the Supplier; therefore any provisions stipulated in this manual should automatically constitute provisions of the contract. Nevertheless, provisions of this manual do not restrict HYDRO rights to those deriving from the Purchase Conditions. If there is any conflict, the terms of the Purchase Conditions will prevail.

The supplier shall indemnify Hydro for any loss suffered or costs incurred because of a breach of this Conditions.

HYDRO remains the legal owner of this manual. To make sure that the Supplier uses the latest version, we recommend verifying at www.hydro.com.

ALL COPIES OF THIS DOCUMENT ARE CLASSIFIED AS NON-CONTROLLED.

This copy should be returned to SQA HYDRO once the newer version is issued or on request.

IMPORTANT:
All goods, materials and services provided should comply with all the applicable legal requirements

2. Supplier Assessment and Selection

HYDRO uses solely the good and services of Suppliers included in the following list *Supplier List (SR) (F01_PG0302).* HYDRO will not use services of any other Suppliers unless they are added to the Supplier List.

2.1. New Supplier Selection

New Suppliers can only be added to the Supplier List upon completion of an on-site assessment of the

Supplier's systems / Potential Analysis, processes and control mechanisms and after HYDRO Purchasing Department's approval.

The exception are transferred projects, in the case of which the procedure is determined individually.

Acc. To procedure Supplier Selection and Assessment P-PG-03-02 pkt. 5.2.1.3 All Suppliers, unless otherwise agreed with the end client, will need to be approved by an accredited external certifying body ISO 9001:2015 is HYDRO 's minimum requirement.
If the Supplier fails to obtain the certification within indicated timeframe, HYDRO reserves the right to do audit of second party to conform ISO 9001 or transfer production to another certified entity approved in the Supplier List (SR) (F01-PG-03-02).

Each Supplier is obliged to provide HYDRO with copies of the current ISO certificate

HYDRO requires all the production elements suppliers, (group I and II) supplier to confirm the date of implementation of IATF 16949:2016.

HYDRO will provide all Suppliers with help and support they need to comply with the IATF 16949 standard.

Valid Quality System certification is available in the Supplier List *Supplier List (SR) (F01-PG-03-02) (pl. Supplier List)* including the expiry date and the target compliance date. It's the Supplier's duty to provide the copies of all certificates and to inform HYDRO. Purchasing Department of all target dates of approvals.

Suppliers are required to send the Purchasing Department all new compliance certificates for quality systems and the environment once it is issued.

2.2. New Supplier Assessment

The Purchasing Department will conduct an on-site assessment of all new Suppliers, and the report from this assessment will be available for the Supplier's consultation.

The outcomes of such visits will be presented to the HYDRO Management for them to take the final decision.

IMPORTANT:
All conducted assessments will be subject to the review of HYDRO Management. Suppliers qualified to the next level will need to be approved by HYDRO Management.

2.3. Supplier Monitoring

Suppliers are evaluated through a quality assessment in two key areas:
- Product Quality (i.e. PPM, audit results, ISO certificates), and
- Delivery performance (performance against the schedule, completion time).

More information on the scoring system is available in section 7 and 8.

3. Key requirements

3.1. Special characteristics

Special characteristics are product properties or production process parameters that may affect safety or compliance, usability, functionality, performance or further processing of the product

The supplier will define and monitor special characteristics using SPC as appropriate (see section 4.5). Agreed special characteristics indicated by HYDRO will be indicated in the Control Plan and FMEA by the supplier.

See the SPC and FMEA manual.

HYDRO has specified three types of special characteristics:

Marking	Classification	Description	Risk in FMEA
!!!	**Critical**	Product characteristics or process parameters which non-conformity cause a risk on safety or not achieve law requirement's.	9 – 10
!!	**Significant**	Product characteristics or process parameters who influent on product adjustments (first-rate functionality loss)	7 – 8
!	**Important**	Product characteristics or process parameters who influent on product adjustments (second-rate functionality loss)	5 – 6

Key characteristics are marked on technical drawing supplied to supplier.
The supplier is obliged to put the characteristics in the documents, ie Process Flow Chart, FMEA, Control Plan, Work Instructions, and to further provide information on special characteristics along the manufacturing chain to the appropriate manufacturing site.

3.2. Legal Requirements

The supplier should ensure that the delivered products, processes and services fully meet the currently applicable legal and regulatory requirements. In the event of legal changes, the Supplier should immediately inform HYDRO about changes and possible disturbances.

3.3. Customer Specific Requirements (CSR)

The supplier should demonstrate compliance with specific customer requirements. The requirements can be accessed on the website - http://www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements/ - HYDRO recommends subscribing to the Newsletter for information on the latest updates.
HYDRO reserves rights to verify the satisfaction of the client's specific requirements during working visits or audits.

3.4. PSCR - („Product Safety & Conformity Representative")

Suppliers who provide us with the details used by HYDRO for products supplied to VW, BMW, Geely should appoint a Safety and Compliance Officer in their organization. The plenipotentiary for product safety and compliance should be strongly involved in initiating activities focused on risk assessment - among others, he should work with FMEA teams, participate in the launch of new products, accumulate lessons learned related to potential hazards and arrange systematic production controls for potential threats to the safety characteristics.

3.5. HYDRO Property

The supplier shall take all reasonable steps to ensure that the entrusted material (cooperation), equipment, measurement tooling, tool and packaging provided by the client is stored and used in a manner posing a minimal risk of loss or damage. On every single HYDRO request supplier will return all the equipment, drawings, measurement tooling, drawings of measurement tooling and its packages on demand for its calibration, maintenance or modernisation or at the end of the production process as determined in the contract.

Replacement cycle and equipment maintenance costs will be subject to negotiation and will be documented as per agreed contractual agreements.

The Supplier accepts full financial liability in the event of loss or damage resulting from the fault by the Supplier in regards to entrusted material, equipment, measurement tooling or packaging, which remains HYDRO's property.

3.5.1. Transfer/outsourcing of equipment

Transfer of equipment, forms or other HYDRO machinery to other entities will be carried out in accordance with the procedure laid down in Equipment Transfer for the Manufacture of Products and will be strictly monitored by both sides to ensure a smooth transfer meeting the requirements both of HYDRO and HYDRO's client.

All equipment which is the property of the CLIENT should be labelled with a special tag as per the below example:

On an annual basis, suppliers shall submit asset information confirming the status and condition of tooling, this shall be supported by photographic evidence, which Hydro will maintain records of.

PROPERTY: .....
(name of client)

.....
(equipment code)

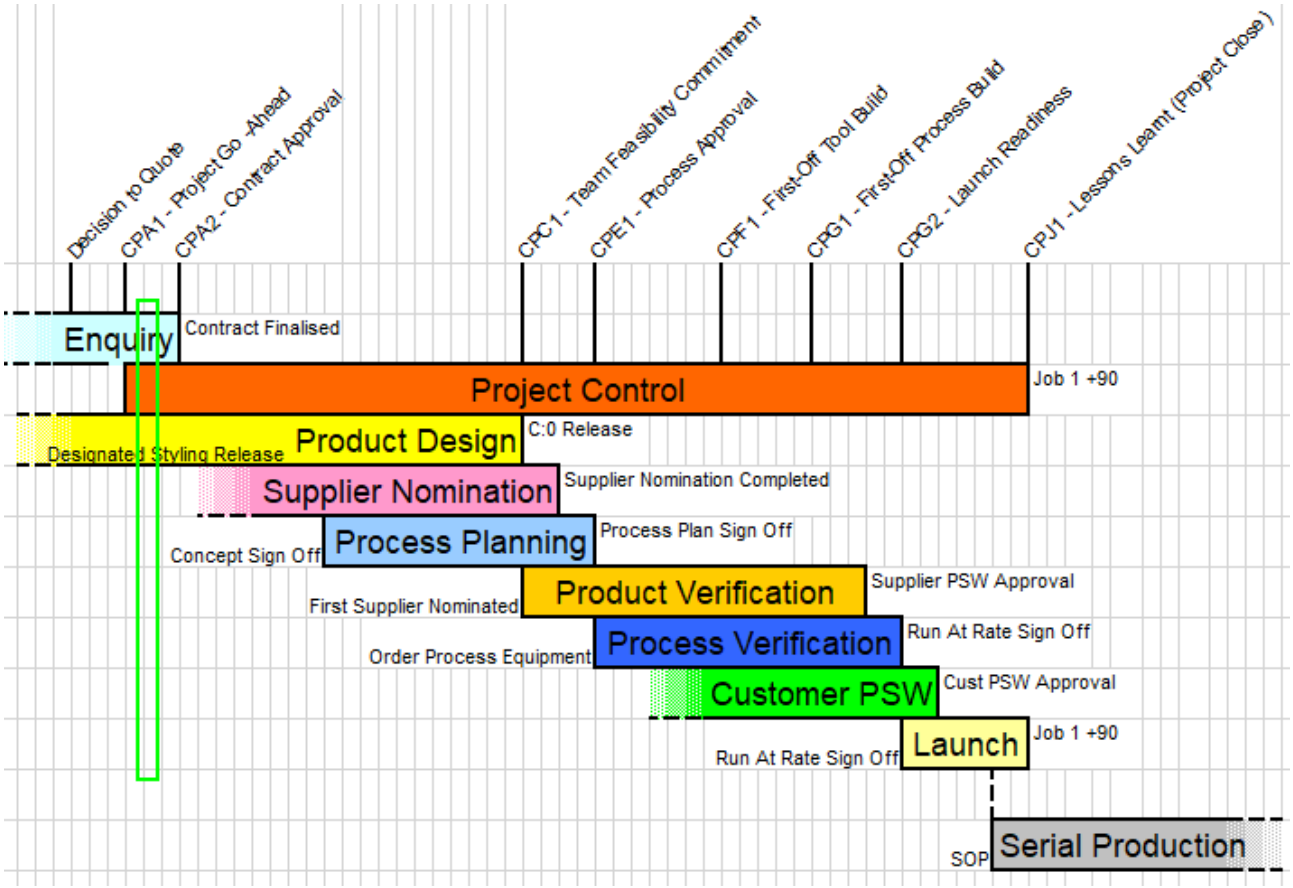
.....
(drawing number)

.....
(part description)

4. Product design, development and approval

4.1. Milestones

Each HYDRO project is developed on the assumption of the following milestones. The only exception are Daimler customer projects where milestones are required according to VDA MLA



Milestone flow:
- CPA1 Launching the project
- CPA2 Approval of the contract (deadline for submission by the supplier Feasibility Commitment)
- CPC1 Confirmation of feasibility by the project team
- CPE1 Launching the tool / First samples
- CPF1 Starting the full process
- CPG1 Confirmation of readiness / Deadline for submission of the PPAP documentation by the supplier
- CPG2 Confirmation of capability (deadline for closing PPAP documentation with process audit)
- CPJ1 Improvement

4.2. Product Approval Process

Each part delivered for production needs prior HYDRO approval.
(In exceptional circumstances the parts can be delivered on the basis of provisional approval confirmed in writing by HYDRO. Any approved parts or allowances granted before implementation of this manual will stay in force under the same conditions until the time of application required in accordance with the Product Approval Process

The Supplier shall request approval in accordance with the PPAP Manual, VDA 2 and HYDRO Supplier Quality Manual. (SQM)

The relevant documentation and samples will be stored for 15 years from the expiry date of the contract as part of the Production and Product Approval Process unless otherwise agreed with the client.[1]

4.2.1. When submission is required?

For each new start-up and any change in the product or process of itself and the sub-supplier, the Supplier is obliged to submit documentation for approval with samples in accordance with the HYDRO requirement. The deadline for submitting the documentation and the part should be consistent with the milestones presented in section 4.1 regarding the new design or date agreed with the Purchasing Department for a given change during serial production.

4.2.2. Documentation submission levels

Each new start-up is subject to the Supplier's submission of documentation in accordance with Level 3 according to PPAP or PPA according to VDA, unless otherwise agreed with HYDRO and approved by the Purchasing Department. The exception for the submission level are the catalog parts for which submission is expected at least at level 1 together with the measurement report if applicable. The level of submission of documentation for each shift is set out below: 1. Engineering change - scope determined each time with the Purchasing Department 2. Tool change or transfer - full submission of PPAP Level 3 or PPA. Commissioning after min. annual break - full submission of PPAP Level 3 or PPA. Any change in the sub-supplier or at the sub-supplier, e.g. material - scope determined each time with the Purchasing Department

The documentation will be submitted within the deadline agreed with the Purchasing Department and requires written approval.
IMDS must be updated regardless of the level of the PPAP application if there were changes that affected the submitted IMDS datasheets.

!!! Hydro define FMEA transitioning time that new requirements AIAG and VDA are obligatory for such project that supplier get nomination since 01.06.2019. Supplier shall use actual edition. This requirement also applies to sub-suppliers.

4.2.2.1. Approval conditions

Suppliers must fulfil the requirements set by HYDRO in order to receive product approval. A generic adequacy statement is not acceptable. Tooling will not be reimbursed in full until the product is fully approved and the PSW or PPF is signed. Signed PSW/PPF documents should be attached to the invoice in the final stage of the tooling reimbursement payment.

- All results not compliant with specifications should be clearly identified and Corrective Actions should be recommended.
- All Documents should contain the drawing's number and the Technical Level of the part that they refer to.
- The status of the permit is given by the client in accordance with the PSW or ISIR report.

The approval of the production process or product will have one of the following statuses:
- Approved (the product meets all the requirements)
- Interim Approval (partial approval, the product does not meet all the requirements - valid for a specific time or quantity)
- Rejected (the Supplier is not authorised to deliver the product or service).[2]

[1] VDA 2
[2] VDA 2

***For safety characteristics there obligatory process audit required during PPAP approval - time frame for process audit follow Customer requirement – if was defined.**

**** In the case of visual parts and the lack of defined product evaluation conditions, please refer to the parts evaluation standard according to VDA 16.**

4.2.2.2. Sample control and examination

The PPAP sample will be examined to check that it meets all the requirements. It is mandatory to separate the samples used in the manufacturing and product approval process from other samples.

- Samples required for the approval of the product and production process should consist of products and materials which were fully manufactured using the same means of bulk production as all other products.
  Samples intended for testing, analysis and sending to the client will be selected randomly from the manufacturing batch. The number of samples will be determined by the client and delivered to the supplier.
- Other samples consist of product samples and materials which were not manufactured under conditions of quantity production and are not intended for product approval (in accordance with VDA 2 - 4.2)

4.2.2.3. Supervision of repaired or modified products

The Supplier should have a documented process of repair or modification of parts which are being supplied to HYDRO, which should form part of the control plan. Repair or modification instructions should be available for consultation and staff should be trained.
Any change to the process should be officially requested via the engineering change form. Without the written consent of HYDRO, the supplier cannot initiate the change.

4.3. Special Terms

- ***HYDRO shall inform Suppliers of their approval by sending the signed copy of the Part Submission Warrant (PSW) or the PPA. The signed PSW or PPA document constitutes the only acceptable approval proof.***
- ***HYDRO allows use of the PPA if the client has special requirements concerning use of the PPA in their system.***
- The samples sent to HYDRO need to be easily traceable and labelled for the attention of the specific representative of the HYDRO Purchasing Team or Technical Programme Development Team.
- Suppliers shall SUBMIT clear measurement reports, in accordance with all PSW requirements. Measurement reports MUST be available for approval of each of the supplied parts. Measurement approval must be clearly indicated in the approved control plan.
- Conditions for documentation submission are clearly explained in the PPAP Manual. The Supplier shall hold the Buyer harmless against all costs or losses that HYDRO may suffer as a result of the Supplier's delivery of parts which have not been approved by HYDRO, as specified in section 3. The Supplier shall inform HYDRO and agree to all suggested changes, including changes of tools or process of the Supplier's subcontractors. HYDRO Purchasing Department should be contacted in case of any doubts.
- By signing the PSW document the Supplier confirms that all aspects of the information provided in the Product Approval Process application is true and that it reflects the products' condition and process potential. HYDRO reserves the right to verify all information given in the documents submitted by means of tests conducted in the external laboratory or on the Supplier's site.
- Service Suppliers with special requirements in terms of appearance i.e. powder paint, wet paint, KTL, anodising, should ensure appropriate conditions for assessment of the product produced and possession of adequate staff (competent, qualified), samples of colours, structure, gloss acc. To end customer requirements.

4.4. Examination of performance and materials

The supplier should have an in-house laboratory that meets the requirements of IATF 16949: 2016.
Unless otherwise agreed, in the absence of an in-house laboratory as per IATF the Supplier should use an external certified entity in accordance with the EN ISO IEC 17025 standards or its national equivalent. The

report should be presented on letterheaded paper along with the copy confirming the scope of the laboratory's accreditation.
All costs related to the required validation tests should be included in the supplier's offer.

4.4.1 Material control and traceability

The Supplier shall verify the compliance of incoming, unfinished and finished products in accordance with the documented Control Plan. The rule "First in First" out (FIFO) will be implemented to guarantee that the oldest batches of the product are removed from the system. Batch traceability should be maintained at all times.

If the incoming products are not being verified in accordance with the Control Plan or another similar inspection plan, Subcontractors' compliance records will be required. These records will be kept for all spare parts manufactured with the use of new or modified equipment or processes and for all aspects of characteristics considered to be important, significant or critical.

4.4.2. Required documentation for serial deliveries

The Supplier is obliged to send the certificate 2.1 for each delivery (out of charge) which should be an attachment to the transport documentation or should be sent to the e-mail address while shipment date:

- Kamil.Zieja@hydro.com
- Katarzyna.Klimek@hydro.com
- Bartosz.Staroch@hydro.com
- Konrad.Wojciak@hydro.com
- Grzegorz.Sobczak@hydro.com
- Lukasz.Beska@hydro,com
- Piotr.Werk@hydro.com

Failure to provide the required certificate will mean the delivery block until receipt of the certificate, **including the invoice blockade for the given delivery.**
* If Final customer require HYDRO reserve right to require certificate 3.1 which will be communicated in advance. Such Supplier must be ready to fulfill this requirement.

4.5. Statistical Process Control

HYDRO 's Suppliers are expected to implement a method of failure prevention rather than a method for detection of it. Relevant SPC and control tables containing definitions of the primary SPC manual will be used to monitor the respective critical and significant characteristics defined by HYDRO and the Supplier. In the event of processes which are defined by SPC analysis as being uncontrolled, Corrective Actions should be applied and documented. HYDRO shall make this information available on request.

HYDRO requirement for short-term process capability (testing of machine quality capability) and temporary process capability should reach Cmk / Ppk value ≥1.67. The minimum requirement for long-term process capability is Cpk ≥1.33.

See the SPC manual

Relevant SPC and control tables containing definitions of the primary SPC manual will be used to monitor control of critical processes. HYDRO shall make this information available on request.
The target process capability, including those for special characteristics, will have the Cpk index ≥ 1.33 or higher if it is determined by the end customer's requirements. If such rates cannot be achieved, the inspection frequency should be increased to 100%. The Supplier must ensure that all its subcontractors implement an appropriate SPC.

4.6. Comprehensive Preventive Maintenance

The Supplier shall develop and keep records of the planned Preventive Conservation Programme for all key tooling and equipment relevant for the process. All reasonable steps should be taken to ensure that the equipment is capable of attaining the process ability and complies with the process capability and with the

quality specifications (specified in the drawings and CAD models and in the contract) throughout the whole life-cycle of the equipment. The life-cycle of the equipment shall be determined in the contract.
In accordance with the requirements of IATF, the Supplier is obliged to define a list of critical parts in order to ensure the maintenance and the maintenance of the warehouse stock.

4.7. Packaging and labelling

All material received by HYDRO must be packed in a way that ensures appropriate product security and sometimes in accordance with the relevant packaging instruction. All deliveries will be clearly labelled.
All deliveries should be clearly labeled with a system label, which must include the product code, customer system code, product name, quantity, production date, no. batch to keep the product traceable at a later stage The recommended labeling standard is the VDA standard. If the supplier does not have a standard, the recommended standard should be implemented in the course of cooperation. The supplier is obliged to submit the binding packing instructions for approval by HYDRO and at the stage of submitting PPAP or PPA documentation.

As stipulated in the Purchase Terms, the Supplier accepts to pay costs and losses incurred by HYDRO, such as delivery costs, transport, processing and inspection, replacement of faulty materials and all other activities resulting in additional costs regarding non-compliant materials. This includes all additional costs incurred as a consequence of late or faulty delivery, such as special shipments or production delays.

4.8. Suppliers' Subcontractors

The Supplier should obtain Level 3 PPAP documentation from all subcontractors that it is working with in order to ensure the control of the parts supply or processes implemented by the subcontractors when producing the supplied product.

PPAP information on subcontractors should be available for HYDRO 's consultation on request.

On request HYDRO provides support with implementation of the Product Approval Process on request. Document templates of Product Approval Processes are available from the the HYDRO Purchasing Department.

4.8.1 Special requirements concerning suppliers of extruded profiles

As part of the PPAP documents, the profile supplier will provide a list of approved alloy subcontractors.

4.9. Audits

HYDRO reserves the right to perform an audit in accordance with the approved Supplier Audit Schedule (F07_PG-03-02):
- production process in supplier acc. to VDA 6.3.
<u>a. running projects</u>
<u>b. new projects (time frame for process audit follow final Customer approval – if requirement was defined)</u>
- second party audit to conform ISO 9001 celem oceny zgodności ISO 9001 (for supplier without ISO 9001)
- second party audit to conform ISO 9001 with IATF 16949 requirements (for supplier with ISO 9001 certificate)
- other if required

The visit should have appropriate scope and the Supplier will ensure that HYDRO's representative will be accompanied by a qualified employee. The Supplier takes responsibility for optimising all the structural weaknesses identified during the visit of the HYDRO representative and for the presentation of the action plan to eliminate such weaknesses.
<u>Additionally, if deemed necessary, the Supplier should grant the HYDRO representative access to their Subcontractors and shall give them the right to conduct an audit of the Subcontractor, if required.</u>
The HYDRO shall always inform the Supplier of a planned audit of the production process at least one week in advance.
In some exceptional circumstances HYDRO reserves the right to audit with 24 hours' notice:
- deterioration in quality of the delivered product
- problems in keeping to scheduled delivery times
- repeated complaints
- end customer complaint

Each performed audit must be closed by assessing the effectiveness of the corrective actions taken. In the event of emergency situations occurring at suppliers (e.g. the need for a longer time to implement corrective actions, force majeure, production downtime, no production for Hydro, related to the COVID - 19 situation), the Purchasing Department allows the possibility of closing non-compliance in three possible ways:
- closing non-conformities on the basis of evidence sent by the supplier
- closing based on a remote meeting to evaluate the effectiveness of activities (note)
- on-site process audit (upon approval of the audited supplier due to Covid-19 situations)

*In the case of obtaining the C grade from the process audit and thus demonstrating the lack of process capability, the repeat audit will be carried out by HYDRO within the set time limit. The cost associated with the re-audit - 2000 EUR - will be transferred to the Supplier.

4.9.1. Process Capability Analysis

Prior to the serial production launch, the Supplier will undertake an internal process efficiency analysis to confirm its ability to ensure deliveries to HYDRO. HYDRO may request a proof confirming this or if necessary may wish to carry out the assessment in the Supplier's premises. HYDRO reserves the right to undertake such an assessment at any time if the Supplier fails to deliver on schedule - that is at least 24 hours from the time of the request.

5. Requalification

5.1. Full Re-qualification

All the Suppliers are required to undertake full re-qualification. This is a compulsory requirement and should be undertaken every few years, in accordance with the Safe Manufacturing Processes VDA and IATF 16949:2016.

Ultimately, HYDRO requires re-qualification every 3 years for products delivered to customers with the requirement (VW group) or in some exceptional situations presented below:
- A complaint that substantially affects the finished product.
- A significant increase in the number of complaints.
- On request of HYDRO or the end customer

5.2. Yearly Re-qualification

Suppliers are required to undertake yearly dimensional inspection of supplied products and an inspection of functionality and other characteristics. The results should be presented to HYDRO no later than 20 working days after the request date.

In some exceptional circumstances HYDRO may request an early renewed re-qualification:
- Second, Third or Fourth Escalation Level (see Section8.2)
- Major complaint significantly affecting the final product.

6. Complains

6.1 Product non-compliance

If HYDRO receives products that do not comply with specifications and do not have approval to deviate from the schedule, the Buyer will issue a Return of Damaged or Faulty Goods - CTS form.
The Supplier is required to present this according to the following terms:
- Report 3D - up to 48 hours from the time of the request
- Report 8D - up to 15 working days from the time of the request or sample receipt
- Other reports specified in the *Return of Damaged or Faulty Goods - CTS* form - up to 15 working days from the time of the request or sample receipt

If, due to the character or scope of corrective measures, the CTS related case cannot be settled in full in the foreseen timeframe, the Supplier can request that the new deadline for the settlement of the case is indicated, which will be subject to negotiation with HYDRO.

COMPENSATION

The supplier is obliged to ensure the continuity of supplies to HYDRO in the event of a complaint. Each rejected material should be settled (corrective note from the Supplier or debit note from HYDRO) and its lack should be supplemented within the time specified by HYDRO, which is beyond any schedules. The CTS complaint form should clearly state that the material replaces the rejected one. The Supplier's financial liability includes acknowledgement and covering of the compensation for the HYDRO related to defective parts from the technical or visual standpoint. Supplied rates can be reassessed once a year.

Costs related to the complaint and its consequences on the part of HYDRO:

a.administrative cost - 150 EUR
The cost of issuing a complaint
b. cost of re-planning of production - 300 EUR
Cost related to the need to re-plan production in the event of defective material
c. quantity discrepancy in the delivery based on the order - 25 EUR
d. cost of stopping production in HYDRO - 80 EUR / hour
Cost of stopping the work of the assembly station in the event of no compatible material available
e. the cost of sorting (external company) - according to offers
f. cost of sorting service at the plant by HYDRO - 25 EUR / hour / person.
g. engineering support - 50 EUR / hour / person
Supplier engineering support by HYDRO on site.
h. SQA support
SQA engineering support at the Supplier's plant - 50 EUR / hour / person.
i. delay in submitting the 8D report - 300 EUR
Delivering the 8D report after the required deadline
j. rejection of the 8D report by HYDRO - 300 EUR
8D report rejection due to lack of information, reports, unreal data
k. Material disposal in HYDRO (acc. to actual price)
- aluminum castings
- plastics
- steel
- waste chemistry or other

Components/process costs

The SUPPLIER will cover all costs related to delivered product or service (through a correction note issued by the Supplier or a load issued by HYDRO) and of earlier processes related to the product complaint such if their activities cause permanent losses to the HYDRO. This is applicable to non-compliant products accepted by the SUPPLIER.

– Sorting at HYDRO
If to settle the matter of non-complying product the presence of Supplier's representative to help in manufacturing process at HYDRO premises is required then the Supplier must ensure the presence of its representative(s) on-site in the previously agreed timeframe depending on the fault and its effect on HYDRO production. Suppliers which are not able to ensure the presence of their personnel on-site in the prior agreed timeframe should use the services of a competent Settlement and Repairs specialist recommended and approved by HYDRO . The target PPM level shall be agreed with the Supplier before PPAP. HYDRO reserves the right to claim reimbursement of all costs related to the additional inspection, costs of special transport in addition to the regular administrative costs for the Return of Damaged or Faulty Goods (CTS) if the fault level exceeds the target PPM level.
– Shipping costs
The SUPPLIER covers the shipping costs incurred by HYDRO for transportation of the faulty product. It is the SUPPLIER's responsibility to arrange for transportation of the faulty goods in the timeframe required by HYDRO. This applies also in the case of joint complaints.
– Storage costs
The Supplier takes responsibility for arranging for the removal of rejected parts from HYDRO's premises within 3 working daysof notification. HYDRO reserves the right to remove rejected material at the Supplier's expense or to charge storage costs EUR 0.67 / pallet / day if the rejected material is not removed within 3 business days. The cost will be charged after the given date. If the material is disposed of, the supplier will be charged for the disposal according to the applicable rates.

– Joint complaint costs

The SUPPLIER takes responsibility for reporting to HYDRO the number or approved/rejected parts within 5 working days of the delivery date. In addition to this number the SUPPLIER will also explain the root causes of the non-compliance. If the timeframe of 5 days is exceeded and no feedback is received, all parts will automatically be considered as approved.
* HYDRO reserves the right to change the model for the settlement of collective complaints from shipments to the supplier, for on-site verification at HYDRO , of which the supplier will be informed.

– HYDRO clients complaint costs
In the event of a complaint by a HYDRO client, the SUPPLIER is required to cover all costs incurred if the root cause of the problem derives from the Supplier's process.

*EXCEPTION: when it is not possible to clearly identify the root cause of the problem.

6.2. Guaranteed Delivery

If it is necessary to use guaranteed delivery services the SUPPLIER should also label each package as per HYDRO requirements to facilitate its identification.

GUARANTEED DELIVERY

Complain nr. .....

Part nr. .....

Herewith we confirm that following delivery with parts was 100% controlled and is free from any contamination.

..... Stamp/Signature

..... Date

6.3. Deviation from agreed delivery

The Supplier takes responsibility for ensuring that HYDRO receives the parts matching the specifications in the current HYDRO schedule. HYDRO Logistics Department should be notified immediately if the Supplier is not able to observe the schedule. Justified schedule discrepancies can be authorised by the HYDRO by granting a delivery exemption.

The Supplier shall choose the relevant deviation category and complete the request for approval of the change on the left-hand side of the form. The form should then be faxed or emailed to relevant HYDRO employee for approval. If the request for deviation from the schedule is approved, the relevant HYDRO company employee will complete the left-hand side of the form and return it to the Supplier, and this will serve as a confirmation of the approval.

If the request for a deviation from the schedule is rejected the HYDRO company will send this information in an appropriate form *Request for exemption.*

All relevant items should be completed. The request can be accompanied with additional information such as drawings, reports or timetables.

Products delivered after a schedule exemption should be clearly identified with a Deviation Request Number on the packaging and in additional notes.

6.4. Deviation regarding the product

The Supplier takes responsibility to establish a system preventing delivery of non-compliant parts. In exceptional circumstances the Supplier may request an exemption permitting the despatch of slightly non-compliant parts, which do not affect component functionality or HYDRO product aesthetics.

Non-compliant parts cannot be delivered unless the Supplier receives a written exemption for the product from the HYDRO Buyer prior to despatch.

The Supplier shall choose the relevant deviation category and complete the request for approval of the change on the left-hand side of the form. The form should then be faxed or emailed to relevant HYDRO employee for approval. If the request for deviation from the schedule is approved, a relevant HYDRO company employee

will fill in the left-hand side of the form and return it to the Supplier, and this will serve as confirmation of the approval.

If the request for a deviation from the schedule is rejected the HYDRO company will send this information in an appropriate form *Request for exemption.*

All relevant items should be completed. The request can be accompanied with additional information such as drawings, reports or timetables.

Products delivered after a schedule exemption should be clearly identified with a Deviation Request Number on the packaging and in additional notes.

7. Supplier Performance

7.1. Monthly review of Supplier's Performance

The Purchasing Team shall conduct monthly assessments of Approved Suppliers based on monitoring of key criteria:

- Quality Results compared to Agreed Target Levels PPM,
- Delivery on Schedule Results

If the target set for the month is not met, HYDRO shall inform the supplier of this and initiate actions in accordance with the escalation chart.

7.2. Monthly Review of PPM Supplier Results

If the Supplier does not achieve agreed monthly PPM targets the following actions will be initiated:

- **First escalation level (first month out of target)**
  1. Formal notification of the supplier → email
  2. The first delivery in the following month must have the status of guaranteed to confirm effectiveness of implemented actions.
  Guaranteed delivery must be labelled in an additional special way as per the instructions.
- **Second level of escalation (two months in a row out of target and lack of downward trend, repeated claim, end customer claim)**
  1. Formal notification of the supplier → email
  2. The Supplier will be ask to prepare SIAP (see Section 7.4)
  3. The Supplier will be asked to contact SQA HYDRO and participate in an Escalation Meeting CSM in the HYDRO premises (see Section 8.2) to discuss the situation and SIAP.
  3. The supplier is asked to introduce CSIL1 (see section 7.5)
- **Third level of escalation (4 months in a row out of target and lack of downward trend)**
  1. Formal notification of the supplier → email
  2. Audit of the production process by HYDRO within 24 hours from notification
  3. The Supplier is asked to contact SQA HYDRO and participate in participate in the second Escalation Meeting CSM at HYDRO premises (see Section 9) to discuss the current situation and SIAP.
  4. The Supplier is asked to introduce CSIL 2 (see section 7.5)
- **Fourth level of escalation: lack of positive results following the second CSM and CSIL 2.**
  1. HYDRO representative (resident) will stay at Suppliers premises to ensure permanent monitoring at expense of the Supplier.
  2. Start of the selection of an alternative Supplier,
  3. Supplier's Suspension for new activities and if possible,
  4. In the final stage (with the client's consent) initiation of the production transfer process to another approved Supplier in the SR list.

  * The condition for obtaining a de-escalation of a given level is to maintain quality compliance in two consecutive months in the course of deliveries, which HYDRO will inform the Supplier about each time.

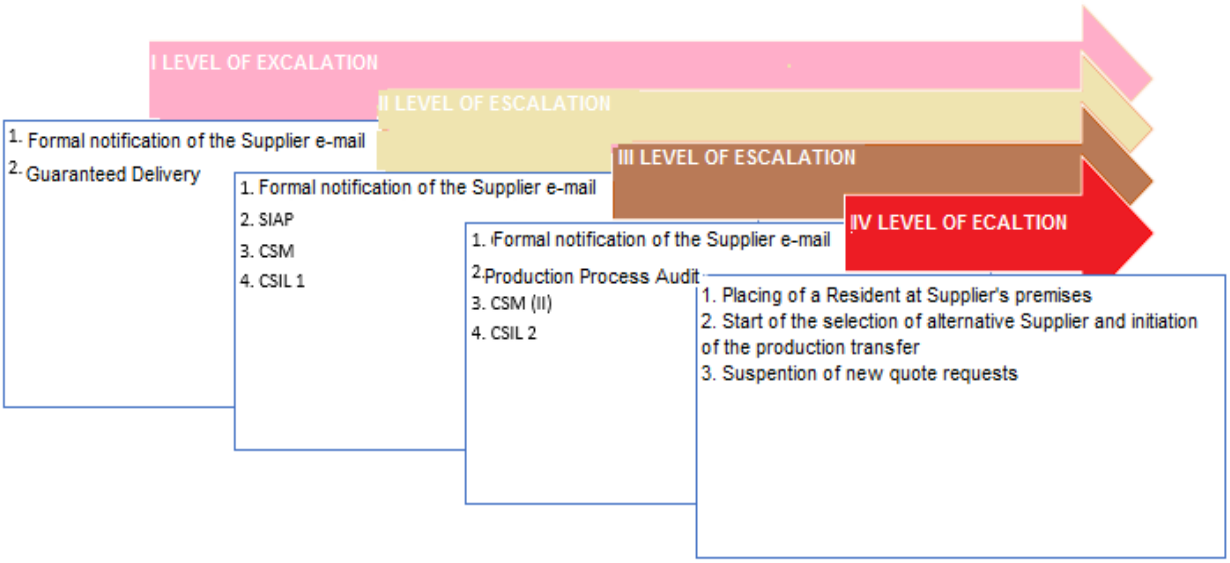


Diagram 1. Escalation Path

7.3. Monthly assessment of the requirements in terms of the prompt delivery results

The results of the Supplier prompt deliveries are monitored in accordance with the required timetables for specific dates of delivery.

100% compliant deliveries are those deliveries which are in accordance with the requested timetables requirements, delivered to HYDRO on schedule (+/- 24 hours).

All discrepancies will be classified as non-compliant deliveries.

The results will be calculated as per the following pattern:

Full result - 100%

- ➲ Communication (criterion weight: 25%)
- Timely provision of information – (possible delays, exemption number, breakdown, quality issues)

On notification HYDRO shall update the relevant date in the system, in order to keep the date up-to-date.

- ➲ Result (criterion weight: 75%)
- Ordered and delivered on time (30%) – prompt delivery with tolerance of -2 / +0 days. Delays are calculated in the following ways: 1 day - minus 10%; 2 days - minus 20%; more than 2 days - 0,
- Compliance (30%) – agreed tolerance +/- 5%. For each 10% of discrepancy HYDRO deducts 10% from the price. A discrepancy higher than 30% of delivery means 0.
- Quality compliance (15%) – delivery as per: documentation and packaging.

In the case of FORD projects and in accordance with the Specific Customer Requirements, the goal is to obtain 100% delivery result.
Supplier with a Supply Result less than 100% (FORD Projects) or 99% in the case of others may be asked to complete and submit an SIAP.

The Supplier is responsible for completing the SIAP, clearly stating the reasons for the low performance, the actions to be undertaken in order to eliminate these issues, and the timeframe for its implementation.

HYDRO will closely monitor Delivery Results in accordance with the presented Action Plan concerning SIAP, and if it does not improve the Supplier will be asked to attend an Escalation Meeting concerning Deliveries (see Section 8.2).

7.3.1 Backlog

In case of delayed order delivery the SUPPLIER is required to present a plan to clear the delay, within 24 hours of HYDRO notification.
In the case of delays each delivery to HYDRO should be EXTRAORDINARY, and the SUPPLIER is expected to arrange it at their expense or to cover the delivery costs if it has been arranged by HYDRO .
If, due to delayed order fulfilment, HYDRO is not able to deliver promptly to the final client, it will be SUPPLIER's responsibility to cover the costs of special delivery to the client.
HYDRO will provide information using official channels to provide information for each such case.

7.4. Supplier Improvement Action Plan (SIAP)

SIAP may be initiated for one of the following reasons:
- Delivery Results fall below 100% in Ford projects or 99% in other projects,
- The Supplier is felt to have lost control over the process,
- When the Supplier participates in the CS meeting,
- The agreed PPM indicators exceed agreed target levels for two consecutive months
- The Supplier receives grade D.

First issue of the Action Plan concerning Supplier Development should be formulated and agreed by the HYDRO Purchasing Department and representatives of Supplier's association.

At the first issue it is the Supplier's duty to maintain, update and submit the SIAP each week until all the tasks are completed.

No task will be considered as fully completed by the Supplier. The tasks will be considered as fully completed only after approval, verification and signing by the HYDRO Purchasing Department representative.

7.5. Inspection Level of a Trackable Delivery (CSIL) 1 i 2

Inspection level of a trackable delivery 1 and 2 constitutes a higher level of component inspection in the Supplier's premises before despatch.

<u>CSIL 1</u>
All components undergo 100% checks during the last process and before despatch another staff member makes another 100% check until it's considered fault-free. The results of both controls are regularly recorded and presented to HYDRO in accordance with the arrangements made during CSIL1 implementation.

The batches should be clearly labelled on the packaging and in the bill of lading as checked in accordance with CSIL 1; CSIL 1 will be conducted until HYDRO ' notification that the task in the supplier's premises can be completed.

CSIL 1 may be implemented for the following reasons:
- Repeated complaints despite implemented actions, reported previously by SQA HYDRO .
- Two months over PPM target levels.
- End customer claim

At the time of CSIL 1 the evidence MUST be presented that the collected data was used to support process improvements and to train the operators at all control levels.

<u>CSIL 2</u>
All components are 100% inspected by the Supplier or by HYDRO (HYDRO decides) prior to use, with the participation of a HYDRO approved external inspection company at the Supplier's expense. CSIL 2 will be continued until HYDRO notification that activities in the supplier's premises can discontinue.

CSIL 2 may be implemented for the following reasons:
- The fault level continues to be at a level over the PMM target level despite the initiation of CSIL 1.

- A potential risk of a halt of production in HYDRO's premises due to a fault by the Supplier despite the initiation of CSIL 1.
- A potential risk of a halt of production by the end client due to a fault by the Supplier despite the initiation of CSIL 1.
- End customer claim

The data collected during the inspection analysis will be presented to the Supplier, on completion of CSIL 2 the evidence must be produced that the data collected was used to support process improvements and training of operators at all control stages.

7.6. Supplier's Self-monitoring

The supplier will monitor its own activity and will be able to prove that improvement actions are being undertaken, based on the following indicators:

a) Client's PPM results,
b) Requirements in terms of Results in Delivery on Schedule (including incidents with Premium deliveries),
c) Quality of the Delivered Product (Mapping of Defects Returns with the objective of supporting activities intended to deliver continuous improvement).

The following indicators should also be taken into consideration:

a) Customer Disruptions (Customer Downtime)
b) Flawless Deliveries Indicator (FTT)
c) Internal waste
d) Environmental effects (plant, product and process)

<u>The supplier will INFORM HYDRO of any special status notifications which may have effect on quality, delivery or production power, such as cancellation of the client's order, relocation of processes, relocation of the manufacturing plant, production restriction, merger or takeover. The supplier will INFORM HYDRO of any penalties or investigations implemented concerning environmental matters.</u>

8. Supplier Assessment

HYDRO undertakes a yearly assessment of the Supplier from gr. I in five categories. Each of the five categories forms 20% of the final result (in brackets after the name of the assessment category). HYDRO shall give the Supplier the yearly assessment results via email.
The Supplier Assessment is undertaken using the Supplier Assessment form (F03-PG-03-05).

8.1. Criteria of Supplier Assessment – Group I

1. Quality System Certificate:
   - ISO 9001; IATF 16949, ISO 14001 or 45001 10
   - IATF 16949 9
   - ISO 14001; ISO 9001; 8
   - ISO 9001 6
   - None - Supplier classified in the D category regardless of further results

2. Results of the production process audit:
   A – ≥ 90% 10
   (Quality Capable)
   B – 80% ≤ or < 90% 8
   (Conditionally Quality Capable)
   C – < 80% 0
   (Not Quality Capable)

3. Quality Level Indicator:
   - Target level PPM 10
   - Below target level up to 1.99% 8
   - 2,00% to 3,99% 6
   - 4,00% to 5,99% 4
   - > 6,00% 0

4. Delivery accuracy:
   - = target 99% 10
   - > 90% 8
   - > 80% 6
   - > 70% 4
   - < 70% 0
5. Commercial terms and conditions:
   - Payment terms - over 75 days 4
     60 – 74 days 3
     31 – 59 days 2
     0 – 30 days 1
   - Pricing – the price decreased over 12 months 6
     stabile price over 12 months 4
     the price increased over 12 months 1

8.1.1. Report concerning the Supplier Assessment

The Supplier shall receive a report summarising the results:
Grade A
90% – 100% – Supplier with Excellent Results
The Supplier is automatically considered for future collaboration. No further actions.

Grade B - Development
75% – 89% – Supplier with Below-Average Results
The Supplier may be asked to undertake an improvement plan to reach Grade A

Grade C - Supervision
60% – 74% – Supplier with Below-Average Results and under Supervision
The Supplier will not be receiving automatic quotes regarding new projects. The escalation process will be initiated to improve to Grade B or A, and therefore Supplier will be asked to participate in the Escalation Meeting regarding Deliveries. Adoption of a road map in areas where satisfactory results were not achieved.

Grade D - Suspension of Activity
0% – 60% – Supplier with Unsatisfactory Results
The Supplier will be suspended for new projects for 12 months. Furthermore, if applicable, upcoming deliveries will be halted and transfer of production to another Supplier will be considered. Lastly, the Supplier will be removed from the SR list.

It is Supplier's duty to inform the HYDRO company employees of any actions undertaken for Product and Process Improvement and Continuous Development, and to present evidence of Environmental Awareness.

This assessment depends entirely on the Supplier.

IMPORTANT:
Suppliers will have 10 working days to respond concerning the Supplier Grade received. If no further comments are received within this timeframe no changes will be registered.

8.1.2. Parts Per Million (PPM)

This is the number of parts rejected by HYDRO each month, compared to the number of components received each month. It is calculated each month and for the periods of six months.

The number of rejected items is calculated as the number of rejected components each months using the following form: *Monthly assessment (F02-PG-03-02).*

8.2. Criteria of Supplier Assessment – Group II and selected from Group III

HYDRO performs an annual assessment of Suppliers from Group II and selected Suppliers from group III in four categories. Each of the four categories has a 25% share in the final result (in parentheses after the name of the rating category). HYDRO is obliged to provide the Supplier with the result of the annual evaluation by electronic means.
The Supplier's assessment is made on the "Supplier's assessment" form (F13-PG-03-02).

8.2.1. Supplier Assessment Report

The supplier will receive a report summarizing the results:
Grade A
80% - 100% - A supplier with excellent results
The supplier is automatically considered for new business. No activities regarding the Supplier.

Grade B - Development
60% - 79.9% - Supplier with below average results
The supplier will be asked to carry out an improvement plan for Assessment A.

Grade C - Suspended for New Activities
0% - 59,9% - Supplier with unacceptable results
The supplier will be suspended for new projects for 12 months. In addition, if possible, suspend upcoming deliveries and consider moving production to a new Supplier. Finally, delete the Supplier from the SR list.

It is the Supplier's responsibility to inform HYDRO's employees of all actions taken for Product and Process Development and Continuous Improvement, and to provide evidence of Environmental Awareness.
This assessment is entirely the responsibility of the Supplier.

ATTENTION: Suppliers will receive 10 working days to refer to the Supplier Assessment received, and if comments are not sent within this period, they will be registered without any changes.

8.3. Suspension of New Projects

8.3.1 Group I

Suppliers who received grade D in the yearly Supplier Assessment HAVE three months to implement appropriate actions and to improve the situation. They will also be classified in the group PUT ON HOLD FOR THE NEW PROJECTS for the next 12 months. After three months the Supplier will undergo another assessment.

Two successive grades D will result in an audit conducted within 24 hours from notification. The target grade for the Supplier is at least grade B. A lower grade after an audit will result in implementation of the actions described under Section 8.4.

IMPORTANT:
HYDRO reserves the right to undertake a Supplier assessment at any time, following an improvement or deterioration of general results.

8.3.2 Group II or selected from group III

Suppliers receiving the "C" rating in the annual Supplier Assessment, WILL RECEIVE a three-month period to implement measures and improve the situation. After three months, the Supplier will undergo another assessment.
Two subsequent 'C' assessments will result in an audit carried out within 24 hours of notification. The target rating for the Supplier is at least "B". A lower rating after the audit will mean the initiation of the actions described in Section 8.4.

ATTENTION:

HYDRO reserves the right to re-evaluate the Supplier at any time based on the improvement or deterioration of overall results.

8.4. Removal of the Supplier from the SR list.

If the Supplier is removed from the SR list, all ongoing activities will be transferred to another Supplier.
The supplier may be removed from the SR list provided that:
- Termination of cooperation without further prospects
- Two consecutive 'D' and 'C' post-audit assessments - for Group I suppliers
- Two consecutive 'C' and C audit result - for Group II or selected Group III suppliers

A supplier removed from the Supplier List (SR) will be redirected to the list of potential suppliers without being able to re-submit offers for a period of at least twelve months, and each subsequent offer will be subject to a presentation and action plan detailing the improvements made since the last assessment and re-audit.

9. Critical Supply Meeting (CSM)

An Escalation Meeting regarding Supplies (CSM) will be called once it is established in accordance with the data collected that the Supplier's results are not satisfactory.

9.1. Critical Supply Meeting (CSM) (grade D)

Suppliers who have received grade C can be asked to participate in the CSM meeting. It is usually planned 1 month after announcement and communication of grades to HYDRO Suppliers.

The following persons should attend the meeting:
- HYDRO - Quality Department Representative
- HYDRO - Logistics or Purchasing Department Representative
- Supplier - Quality Manager or Representative
- Supplier - Technical or Commercial Representative

The agenda of the meeting is as follows:
- Supplier’s Assessment Results (HYDRO)
- Action Development Plan (Supplier)
- PPM results and issues concerning Quality / Services (HYDRO),
- Miscellaneous

If the results of the meeting are not satisfactory HYDRO reserves the right to give Supplier **a three-month** probation period. If at the end of the probation period Supplier is not able to convince HYDRO’s representatives that they have regained the control over the processes/supplies, HYDRO may withdraw from all orders placed with the Supplier, without obligations, and production will be moved to another Supplier.

9.2. Critical Supply Meeting (CSM) (general section)

Escalation Meeting regarding Supplies (CSM) will be called once it is established in accordance with the data collected that the Supplier's results are not satisfactory.

The reasons for calling an Escalation Meeting regarding Supplies (CSM) can be as follows:
- Two months over PPM target levels,
- Consistently poor Supply results,
- CSIL 1 or 2.
- Repeated claim
- End customer claim

If the non-compliance of the delivery / product is so serious that it may affect HYDRO's own production or deliveries to customers, HYDRO reserves the right to place engineering or SQA support at the Supplier's Plant and charge costs according to point 6.1.

10. Continuous Improvement

The Supplier is required to continuously improve the process. The Supplier should take all appropriate

measures to eliminate root causes of discrepancies in order to prevent future occurrences of them, and to monitor efficiency continuously. All further information shall be sent to HYDRO.

11. Emergency plans

The Supplier should develop emergency plans in case of unforeseeable events such as disruptions to deliveries, labour shortages, malfunction of key equipment, shift in the in-use phase, in order to be able to meet HYDRO's requirements in such cases.
In the event of force majeure resulting in a halt of production, or partial or total plant damage, the supplier must:
- within 24 hours of the event: present a plan containing:
  a. current status, contamination level, productive capacity and equipment status in accordance with HYDRO form- INVENTORY IN THE EVENT OF FORCE MAJEURE
  b. production initiation plan
  c. recovery plan after downtime.
- in case of a productive capacity loss caused by the event the Supplier must present an emergency plan including the possibility of initiating production in a different location and provide details of contact people within 48 hours of the event.

In both cases HYDRO reserves the right to meet the Supplier within 48 hours of the event in the agreed location in order to discuss an emergency plan and to agree on further steps.
The Supplier should be insured appropriately against cases of force majeure and against other causes of halt of production or losses.

12. Inspection of drawings and Project designation

The HYDRO Purchasing Team is responsible for inspecting drawings and CAD models. Equipment production cannot be launched and parts cannot be delivered until the official correct level of information have been received.

13. Environmental Protection Requirements

HYDRO is committed to ensuring that the impact of its activities on the environment is reduced to a minimum. This can be proven by the fact that the company has obtained ISO 14001:2015 certification and has incorporated Environmental Management into the general Business Management system.
The key element confirming this commitment is that it has been adopted at the highest level of management of Company Policy, which stipulates the following:
- continuous development,
- prevention of environmental pollution,
- legal requirements,
- work according to a clear and stable timetable,
- setting clear objectives and target levels
- complete documentation, and
- communication at all levels

HYDRO expects from its Suppliers an active commitment to environmental concerns and a reflection of this in everyday activities performed.
Purchasing decisions can only be made once the Supplier demonstrates environmental responsibility and engagement in environmental concerns.

13.1 REACH

All Suppliers which are REACH registered are required to produce the Material Security Data Sheet confirming that the following chemicals are permitted to be traded.

13.2. Radioactive radiation

In accordance with VDA232-101 (GADSL) all Suppliers will ensure that no used or replaced parts emit ionising radiation. The most important scope of points 12.1 and 12.2 its maintenance of adequate control and ensuring that use of particular substances in the car parts will not pose any threat for human health or the environment.

[3]*By signing a copy of SQM the Supplier confirms their willingness to comply with the environmental obligations as described in section 12.

14. Sustainability

HYDRO 's ambition is to be a company that is economically, socially or environmentally sustainable. Sustainable development is important in many aspects, HYDRO focuses on three key aspects such as:
- Impact on society: compliance with Corporate Social Responsibility
- Environmental footprint: reducing environmental impact and increasing resource efficiency
- Climate: reduce emissions to make them climate neutral from a life cycle perspective

We expect from our suppliers a similar approach and management of sustainable development goals in our own organization, as well as cascading them towards their suppliers.

15. Information Security Survey

It is HYDRO's expectation that Suppliers working with HYDRO will strive to implement the system secure TISAX information exchange.

The minimum requirement on the part of HYDRO regarding TISAX is obtaining an acceptable assessment of the Information Security Survey, which will be redirected to a group of suppliers (mandatory VW, Daimler, BMW group projects).

[3] VW 91101

16. History of changes

Version	Date	Description of changes	Page
1	09.01.2013	Document revision, addition of section 3.54	3
2	31.03.2013	Document revision, update of sections 3; 3.5.1; 4.7; 6.3 and addition of sections 3.7; 3.8; 9	3, 4, 7, 10, 14
2	31.03.2013	Addition of sections 3.7, 3.8, 3.9	5
2	31.03.2013	Document revision, addition of Diagram 1. Corrective Measures Roadmap	9
2	31.03.2013	Addition of sections 11.1, 11.2	14
2	31.03.2013	Addition of note 4.5	6-7
2	31.03.2013	Change of subjects 7.5 and 7.5	13
3	14.04.2014	Abandonment of the requirement to use the ODETTE (4.5) system and extension to quarter 1 of the obligation to submit yearly assessments(7)	7
4	27/03/2015	Addition of section 3.7.1 - Renewed yearly qualification Change in the Supplier's supply results level	6 11
5	31/03/2016	3.7.1. –Scope change of the yearly qualification 5.2 – reduction of time for complaints processing Addition of section 10 – Emergency plans	6 10 16
6	30/11/2017	Update based on new requirements for ISO 9001:2015 and IATF 16949:2016	2 - 18
7	10/07/2018	3.7 Full Requalifiction 3.7.2 Required documentation for serial deliveries 4.8 Type of audits in supplier 7.1 Criteria of supplier assessment	7 8 10 16
8	19.09.2019	2.4. Special characteristics 2.5. Legal requirements 3.5.1 Product approval process 3.9 PSCR 4.8 Audits	4 5 7 9, 11
9	03.01.2020	Change of layout, a number of changes in points	3 - 22
10	01.09.2020	3.5.1 Tooling status 4.2.2 FMEA transition time 4.4.2 Required documentation for serial deliveries 8.2 Criteria of Supplier Assessment – Group II	6 8 10 19
11	03.01.2022	2.1. New Supplier Selection 3.3 Customer Specific Requirements (CSR) 4.2.2.3. Supervision of repaired or modified products 4.5. Statistical Process Control (SPC) 4.6. Comprehensive Preventive Maintenance 4.9. Audits 5.1Full Re-qualification 6.1. Product non-compliance 7.2. Monthly Review of PPM Supplier Results 7.5 Inspection Level of a Trackable Delivery (CSIL) 1 i 2 15. Information Security Survey	4 5 9 10 11 12 12 13 15 17 23

I have read the terms of SQM edition 11

and accept its terms.

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Signature

.....

Date

.....

Stamp