



MANUAL

**FOR ASSURING THE QUALITY OF PURCHASED
COMPONENTS, TAKING INTO CONSIDERATION THE
HIGHER REQUIREMENTS OF THE AUTOMOTIVE
INDUSTRY, AT**

Tawesco s.r.o.

Date: 01/08/2023

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Executed by: Ing. Tomáš Stružka
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Used abbreviations:

TWS	- Tawesco s.r.o.
QMS	- Quality Management System
WP/WI	- Work procedure / work instruction (Tawesco s.r.o. internal organisational guideline)
QMD	- Quality Management Department
QM plan	- inspection plan

1. INTRODUCTION

1.1 Purpose of the Manual

The Tawesco s.r.o. MANUAL FOR ASSURING THE QUALITY OF PURCHASED COMPONENTS, TAKING INTO CONSIDERATION THE STRICTER REQUIREMENTS OF THE AUTOMOTIVE INDUSTRY (hereinafter the "Manual") defines the requirements placed on the suppliers of Tawesco s.r.o. and serves as an agreement between Tawesco s.r.o. and its suppliers. It is also an integral element of the purchase agreement.

The Tawesco s.r.o. Company's objective is the on-going improvement of the quality and reliability of supplied products and services on the basis of the principles of partnership and mutual expediency. This is achieved through mutual cooperation and application of a quality management system according to IATF 16949 or VDA 6, part 1.



Increasingly closer cooperation between the customer and supplier is a necessary condition for increasing joint competitiveness. TWS expects its suppliers to provide intensive cooperation focusing on prevention and quality planning in all phases of product or service realisation, especially during the phases of planning, product development, production, shipping and warranty and post-warranty servicing.

1.2 Scope of the Manual

The Manual serves to define the requirements TWS places on its suppliers and also determines the procedures that are necessary for assuring the quality of purchased components. The primary objective is to assure the stable quality of product and service deliveries within the required deadlines, in the required quantities and at the required prices, so that inspections can subsequently be reduced in scope. The supplier must also transfer the requirements stipulated in the Manual to its subcontractors. The Manual is an annex to the internal Supplier Assessment document.

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2. Tawesco s.r.o. REQUIREMENTS FOR SUPPLIER QMS

2.1 Supplier quality system

The Supplier must demonstrate certification of its quality management system at least on the level of ISO 9001 as amended. The requirement according to certification according to IATF16949, article 8.4.2.3 is an essential condition for the supplier's listing in the catalogue of direct suppliers for the automotive industry.

The supplier's goal is to demonstrate that it has achieved a quality management system that complies with IATF16949 as amended.

2.2 Zero defect strategy

The supplier must demonstrate in its quality management system that the organisation's strategy includes the zero defect principle and that this principle is applied in practice. This principle is an important component of the supplier's assessment from the aspect of the quality of deliveries.

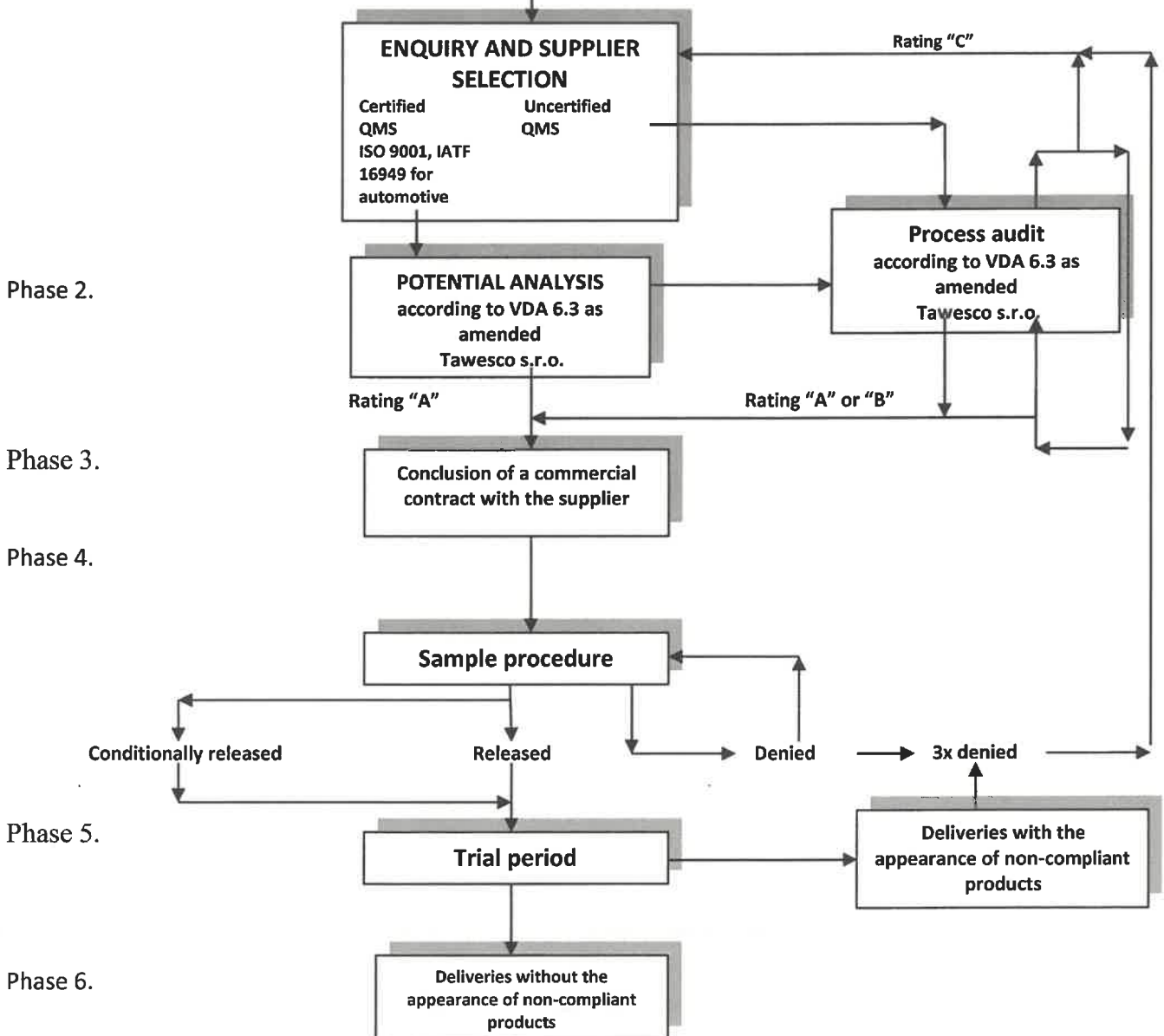
OBJECTIVE: PPM = 0
0 CLAIMS PROTOCOLS

The supplier is required to assure deliveries of components at least on the level of the PPM required by the final customer of TWS.

3. PROCESS OF ASSURING THE QUALITY OF DELIVERIES TO Tawesco S.R.O.

Assuring the quality of deliveries is a key process of the TWS quality management and procurement system. The system includes the prescribed steps and phases, which describe the method of conclusion of agreements between TWS and suppliers, the gradual release of deliveries and their verification. The sequence and individual phases of this process are shown in the following diagram:

Phase 1.



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3.1 Explanation and description of individual phases of the quality assurance of deliveries to TWS:

3.1.1 Phase - ENQUIRY AND SUPPLIER SELECTION

Potential suppliers are contacted during this phase and the result is selection of a supplier. Suppliers are selected according to an internal Tawesco s.r.o. guideline and the process is managed by the Director of Procurement.

Suppliers from the "List of approved Tawesco s.r.o. suppliers" or those suppliers who submit valid quality management system certification according to ISO 9001 as amended (IATF 16949, article 8.4.2.3. - supplier QMS development required) and subsequently complete the procedure for entry of the supplier on this list, may be contacted as potential suppliers of the component.

Within the terms of this phase, the suppliers are presented with the requirements concerning complete specification of the required product (plan documentation, the related standards and regulations, possibly specific requirements by Tawesco s.r.o. arising from the requirements of the end customer). The required inspections of key parameters are collectively specified in the QM plan.

The product quality plan (hereinafter the "QM plan") - describes the product's inspection attributes for which documentation will be required (certification, demonstration of process capability). In addition to the required product parameters, the QM plan also specifies the customer's particular requirements, especially the method of sampling (PPAP), packaging requirements and other requirements.

On the basis of the provided specifications, the potential supplier will execute a proposal, which it will submit to Tawesco s.r.o. procurement by email, price proposals sent by land mail or uploaded to the Tawesco s.r.o. internet portal. By submitting a proposal, potential suppliers confirm that the assignment is complete (plans, standards and other specifications) and that they have understood the assignment.

3.1.2 Phase - CONCLUSION OF AGREEMENTS WITH THE SUPPLIER

During this phase, a commercial delivery contract is concluded with the supplier and approved. This contract contains a reference to the "Manual", which also serves as a quality agreement.

3.1.3 Phase - INITIAL SAMPLES

The initial (reference) samples serve as a basis for TWS' approval of execution of the supplied product to the supplier. These samples represent products and material that were manufactured using series technology. Another essential condition is random selection of samples from production. Any intentional breach of these principles during delivery of initial samples by the supplier is considered delivery of non-compliant products by TWS.

Testing of the initial sample, before commencing series deliveries, provides evidence of the fact that the stipulated requirements for product parameter quality were met and also the ability to make deliveries within the deadline and in the quantities required by TWS. All the qualitative

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attributes of the supplied component, as stipulated in the approved plan and technological documentation, are verified during sampling, including fulfilment of the **customer's specific requirements**.

The supplier is required to inform TWS and commence the process of sample management in the following cases:

- commencement of deliveries of a new component
- changes to design, specifications or material (new status of changes to the plan)
- interruption of deliveries caused by unsatisfactory quality
- changes to the production method or production process
- relocation of production or introduction of new manufacturing equipment
- changes to product (service) suppliers or subcontractors
- interruption of production for more than 12 months.

The initial samples must be delivered with a complete test report from the sampling procedure concerning the reference sample according to PPAP or VDA standards. In relation to production with multiple identical tools, for each tool, or in relation to use of multiple moulds, for each position (stamp).

The supplier is responsible for performing sample testing. The supplier submits the required documentation (PPAP, etc.) along with the sample.

General release of reference samples is performed by the Tawesco s.r.o. Quality Management Department (hereinafter QMD). One of the following decisions is accepted on the basis of assessment of the results of sample testing, see table:

Status of release of the initial samples

1	RELEASED	Components released for series deliveries.
3	CONDITIONALLY RELEASED	Deliveries released for a specific limited period or for a specific quantity. The requirements that the supplier must meet to obtain "Released" status are specified. A new sample inspection may be required.
6	DENIED/NOT RELEASED	Delivery of components is not permitted. A new inspection of rectified samples is required.

Release decisions may be supplemented by notes, e.g. limited release for a specific period under the condition of a description of deviations established during sampling, tasks that must be fulfilled for release of samples with a negative sampling result.

Release from the sampling procedure does not relieve the supplier of the responsibility for the quality of the products. Incomplete reports or incompletely supplied background materials automatically result in rejection of the sampling procedure.

Note: Unless agreed otherwise, it is essential that TWS classifies the components in the "RELEASED" category for final settlement of costs for the component development project between the supplier and TWS.

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3.1.4 Phase - SUPPLIER PROCESS AUDIT

For verification of the supplier's process capability, trained and authorised TWS auditors or the customer's auditors conduct supplier process audits in some cases. Processes and procedures taking place at the supplier are assessed according to the VDA 6 catalogue of questions, part 3, as amended, supplemented by the VW Group's requirements in FORMEL Q. Audits are mandatory in the event of release of safety components (D/TLD according to Formel-Q/VW).

The results of the process audit provide information about the qualitative and capacity capability of processes and point out potential for improvement. Suppliers are expected to execute a plan of remedial measures (action plan) for deviations established during the process audit, by the deadline given in the audit results notification. The audit is valid for at least 3 years, **the increased presence of qualitative issues may be an impulse for premature re-auditing**. The TWS in-house auditor and Director of Procurement are responsible for performing a supplier process audit.

Within the terms of a QMS audit performed by the Tawesco s.r.o. auditor, the supplier undertakes to provide information concerning the organisational arrangement of quality management and assurance, safety and environmental protection. The supplier also undertakes to answer all questions concerning the method of assuring the quality of the supplied product. TWS undertakes to refrain from disclosing information provided by the supplier during internal audits to third parties and hereby considers this information confidential.

The supplier undertakes to allow TWS representatives access for the purpose of establishing the level of product quality assurance. The date of the TWS process audit will be announced at least 3 working days in advance. Demonstration of production of the supplied components is a condition of the process audit.

TWS reserves the right to perform an audit without prior notification only in absolutely exceptional cases, if the continuity of deliveries is at risk or if the quality of deliveries worsens substantially.

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Process audit classification ratings:

Rating	Level of fulfilment	Name of rating	Determination/ requirements
A	>=90 %	qualitatively eligible supplier	<ul style="list-style-type: none"> the customer's development/series production requirements are met without serious weak points remedial measures/CIP by the supplier
B	82 - 89 %	supplier conditionally qualitatively eligible	<ul style="list-style-type: none"> improvement programme under a deadline feasible within an acceptable period remedial measures additional audit
C	0 - 81 %	supplier not qualitatively eligible	<ul style="list-style-type: none"> contract for the purchased component not awarded determination of immediate measures contract for new components not awarded implementation of the supplier's improvement and innovation programme or additional audit

Suppliers awarded a rating of B must send an action plan of remedial measures within 14 days and evidence of their implementation within 90 days. The in-house auditor decides on the need to perform a repeat audit, or possibly take other steps leading to the supplier being awarded "A" status.

**Tawesco s.r.o. OBJECTIVE:
100% SUPPLIERS RATED "A"**

3.1.5 Phase - TRIAL PERIOD

The goal of this phase is to verify the quality of deliveries. Deliveries are subject to random receiving inspections at TWS. The trial period applies for 3 series deliveries. If a qualitative incident takes place during the trial period, the trial period is repeated.

3.1.6 Phase - DELIVERIES WITHOUT A RECEIVING INSPECTION

Only suppliers who have fulfilled item 3.1.5. may obtain deliveries "without a receiving inspection" status. Every delivery of non-compliant products leads to immediate interruption of deliveries without a receiving inspection and reintroduction of phase 5 - "Trial period".

**Tawesco s.r.o. OBJECTIVE:
100 % COMPONENTS WITHOUT A RECEIVING INSPECTION**

4. PLANNING SUPPLIER QUALITY - PRODUCT AND PROCESS DEVELOPMENT

4.1 Key basis for planning supplier quality

This chapter describes TWS requirements for the product development phase and processes realised by the supplier. The supplier is expected to plan, organise and realise production processes and inspection activities, to its own accountability, so that the level of quality required of the product is assured and all specific TWS requirements and the requirements of the end customer are met.

Systematic planning of quality by the supplier is necessary to achieve the required level of quality. This part contains a summary of TWS requirements placed on the supplier, performance of which must be planned, documented and evaluated.

4.2 Conditions for planning quality by the supplier, product safety and product liability

The supplier must ensure that the conditions essential for assuring problem-free delivery are met. Assurance of communication between the supplier and TWS is a key condition.

This is why the supplier is required to ensure appointment of contact persons at least in commercial areas, or more precisely Logistics and quality, who will be available at all times. The objective is to ensure accurate and timely handling of all issues and problems related to the specific project. Contact persons must be specified during the enquiry procedure phase. In order to assure that all issues related to the "Safety of delivered products and product liability" are resolved, the supplier must appoint a **representative for product safety and give his/her name to TWS.**

4.3 Planning delivery quality - prescribed documentation

The supplier is required to execute documentation complying with the **PPAP or VDA standard or according to the requirements of TWS** during the delivery quality planning phase. The scope of this documentation is specified by the TWS QMD.

4.3.1 Key quality planning documentation

- **design FMEA (FMEA-D)** - (only in the case of product development)
- **Flowchart - graphic logistics diagram of the process**
- **Process FMEA (FMEA-P)**
- **Technological procedure (TP).**
- **QM plan**

TWS requires that a QM plan be executed (according to IATF 16494), which defines and describes all inspection steps throughout the entire "receipt of goods - shipping" process.

The QM plan must be executed on the basis of a valid PFD and the FMEA-P results must be integrated into it. The process parameters must also be taken into account. The inspection plan is a key background material for the process of planning the quality of the supplied product and the following diagram must be followed during its execution:



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The QM plan must be executed according to the APQP manual as amended.
The inspection plan must be submitted to the QMD and the TWS Technical Department for assessment, and also for approval if this concerns D/TLD components.
An inspection plan must be executed for each individual component, for potential sub-assemblies and assemblies of the supplied product.

4.3.2 Expansion of the quality planning documentation according to PPAP

- **MSA (Measurement system analysis)** - documentation confirming the capability of planned measuring instruments and measuring devices. The supplier is required to prove the capability of all measuring instruments given in the respective inspection plan.
- **Confirmation of production capacity** - the supplier is responsible for creating sufficient production capacity according to the assumed volume of deliveries. A minimum reserve capacity of 20% is required.
- **Emergency strategy** - the supplier is required to create the corresponding emergency strategy (emergency plan) in compliance with IATF 16949 for all cases of emergency, to prevent any risk to deliveries to Tawesco s.r.o.
- **Sampling** - the supplier is required to ensure documentation on the initial and subsequent sampling of the supplied product, including protocols proving compliance with the customer's requirements.
- **APQP time schedule** - as part of systematic planning, it is expected that new projects will include the setting of goals and creation of a time schedule (APQP) with definition of milestones.

5. CONDITIONS FOR QUALITY ASSURANCE IN SERIES PRODUCTION

5.1 In general

Within the terms of series production, TWS requires fulfilment of production quality parameters, as well as additional conditions and activities. The supplier is required to demonstrate these on the basis of a requirement by TWS through responsibly kept records.

5.2 Process capability (machine capability)

Before delivery of pre-series and series components, the process must be proven to be capable in regard to the attributes set out in the QM plan. The criteria for releasing the process are as follows:

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- Cm, Cmk - selection of 30 pieces of component produced in sequence after each other (i.e. short selection). Unless specified otherwise, the required value is:

Cm, Cmk > 5/3 \cong 1.67

- Cp, Cpk - process capability (so-called long selection)
Unless specified otherwise, the required value is:

Cp, Cpk > 4/3 \cong 1.33

5.3 Safety components (D/TLD)

The supplier must prove fulfilment of the attributes and parameters significant for the safety of operation of the final product (so-called D-attributes) during sampling and deliveries. The supplier will also conduct an inspection of the feasibility of these parameters during examination of the contract and confirm this in writing. Within the terms of deliveries of D-components, the supplier is also required to assure the following:

- repeated sampling of D/TLD components at least once a year
- performance of an audit of D-components according to VW/Formel - Q methodology as amended - once a year
- storage of quality records according to VDA 1 as amended

5.4 Testing during series

The supplier must carry out the corresponding tests and inspections at the frequency stipulated by the QM plan during series production so that the level of quality expected by TWS is achieved. Suppliers are expected to adhere to the approved QM plan during series production. Test results must be documented and archived.

Requalification tests (verification of all the specifications of a component, including the fulfilment of the prescribed standards within a three-year cycle) and so-called destructive tests (with the goal of establishing the actual service life of the component and the weak points in its design) are a special group of tests. The content and frequency of tests must be part of the inspection plan.

5.5 Keeping quality records and documentation of the quality system

The supplier is responsible for arrangement, adherence to and archiving of quality system documentation (VDA 1). Archiving of all quality system documents is required according to VDA 1 as amended and Tawesco s.r.o. representatives must be allowed access to production centres and document archives.

5.6 Preventive maintenance

Suppliers are required to adhere to the preventive maintenance system for production equipment.

Systematic and thorough performance of these planned activities must be demonstrated.

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5.7 Assurance of production traceability

Suppliers assure that materials, components, semi-finished products and final products are clearly marked - identified and stored to eliminate any substitution or mixing and to guarantee traceability.

5.8 Management of non-compliance

If the supplier finds, during its inspection activities, a product that does not comply with valid specifications (plan documentation), it shall immediately inform TWS QMD of this. An exception for delivery with specifications not corresponding to the component must be approved on the basis of written approval of a request for non-compliance submitted by the supplier to TWS QMD.

Approval of non-compliance is exclusively limited to a specific number of components or to a specific period of deliveries. The supplier ensures that all deliveries made to TWS within the terms of the specific non-compliance are identified in the previously arranged manner.

6. THE SUPPLIER'S ACTIVITIES IN THE CASE OF CLAIMS

If qualitative or logistic non-compliance is identified in the delivered products, TWS will immediately inform the supplier of this in the form of a written claim. The supplier shall immediately assure the following procedure on receipt of a claim:

6.1 Immediate measures - within 24 hours

The supplier is required to implement immediate measures to prevent origin of further non-compliance. Immediate measures include:

Measures at TWS:

- 1.** The supplier is required to ensure settlement of the claim, resorting of the delivery and replacement of defective products with defect-free products at its own expense, including costs for transport and reimbursement of costs for TWS staff sent to remedy the matter, without undue delay after receiving the claim.
- 2.** If the supplier fails to ensure that the defective items are sorted out under its own efforts within 24 hours from the defect or appearance of non-compliance in products being reported, TWS is authorised to charge the supplier the costs for sorting defective products according to Annex No. 1. The supplier undertakes to cover these costs. The supplier must be warned that sorting of defective products will begin by the TWS Company in writing. If the supplier is unable to repair the defective subject of performance on site, the subject of performance shall be repaired at TWS at the supplier's expense. TWS shall inform the supplier of the calculated costs for repairs before commencing the repair process.

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Supplier measures:

- 100% sorting products in all phases of the production process including goods in transit. Unless arranged otherwise, this 100% inspection must be performed on the 2 subsequent deliveries, which shall be marked: "100% inspected"
- Implementation of inspection and testing measures that guarantee delivery of compliant products to TWS. These measures must be maintained until elimination of the causes of non-compliance and throughout the following trial period (in the form of the increased frequency of conducted inspection operations).

6.2 Remedial measures

Remedial measures should ensure final removal of the causes of a non-compliant delivery and ensure the 100% quality of subsequent deliveries. Use of the 8D Report form should be preferred for execution of an action plan for remedial measures. Execution of an 8D Report is required of direct suppliers to Automotive.

TWS expects the supplier to send an initial 8D Report (item 1 to 4) **within 24 hours**, unless arranged otherwise. A fully completed and executed 8D Report within 7 days to the TWS QMD and the Procurement Department. All 8 points of the 8D Report must be completed.

The initial 8D Report must contain:

- a description of the claimed non-compliance
- information about immediate remedial measures

The fully completed 8D Report must contain:

A detailed description of the cause (determined e.g. on the basis of the 5x WHY method), this being:

- cause of origin of non-compliance
- cause of failure to recognise the non-compliance
- measures for definitive removal of the non-compliance
- determination of the persons and deadline for performance of each remedial measure
- determination of the methodology and date for completion of the improvement plan, including verification of the effectiveness of remedial measures.

If there is no possibility of immediately implementing long-term remedial measures, an action plan with deadlines must be executed, which must be regularly updated according to the requirements of the TWS QM Department and the Procurement Department and sent to TWS until the time all the proposed remedial measures have been implemented. If the supplier requires a returned item for analysis, this shall be sent to it at its expense.

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In the event of repeated occurrence of the same defect (failure of measures given in the 8D Report), the supplier is required to introduce an extraordinary programme:

- 100% inspection of all products (by its own efforts or independently)
- Execution of an instruction for the 100% inspection and its approval by TWS QMD and the Procurement Department
- Sending of a report of established defects to TWS QMD and the Procurement Department, once a week
- The extraordinary programme may only be terminated after at least 3 deliveries free of any defects

In the event that the supplier's extraordinary programme is ineffective (on-going presence of NOK components, non-compliance), TWS is authorised to **implement an extraordinary programme of receiving inspections on its part - escalate enforcement of execution of remedial measures:**

- 100% inspection of all products entering TWS through a selected independent sorting and reworking company, at the supplier's expense.
- Execution of instructions for inspection of components by an independent company.
- The supplier is required to ensure all the required equipment, measuring instruments, and areas for execution of the receiving inspection by the independent company.
- The extraordinary programme implemented by TWS may only be cancelled after at least 3 deliveries without any defects and verification that all the implemented measures are effective.

7. SUPPLIER ASSESSMENT

TWS evaluates the capability of suppliers according to internal methodology. This is available on request from the manager of the TWS Procurement Department and is included in the internal Supplier Assessment regulation, which is appended to this Supplier Manual.

All suppliers are informed of the results achieved in the field of supplier assessment once a year.

PPM (Parts Per Million) is calculated according to the following formula:

$$\text{PPM} = \frac{\text{Number of defective components (pieces for the assessed period)}}{\text{Total number of delivered components (pieces for the assessed period)}} \times 10^6$$

PPM is calculated collectively for all articles of delivered components from a single supplier for the assessed period.

The target PPM value is determined for each supplier individually on the basis of fulfilment of targets in the preceding assessed period.

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The assessed suppliers are classified in the following categories:

Category	Rating	Note
"A"	Capable	Awarded \geq 90 points in the assessment.
"B"	Capable conditionally	Awarded \geq 75 and $<$ 90 points in the assessment. The supplier must implement remedial measures, execution of which leads to being classified in category "A".
"C"	Conditionally not capable (supplier in escalation programme)	Awarded \geq 75 in the assessment. The supplier must present (submit) an action plan of remedial measures leading to its classification in category "B" or "A".

ESCALATION PROGRAMME:

The principle of escalation describes the progress of the response by TWS in the event of critical assessment of the supplier. Individual levels of escalation are governed depending on the severity of the established defects. The escalation programme is intended to put adequate pressure on the supplier to contribute to its rapid improvement.

Escalation - level 1

Direct provision of information to the supplier's quality departments must be ensured and an improvement programme is required.

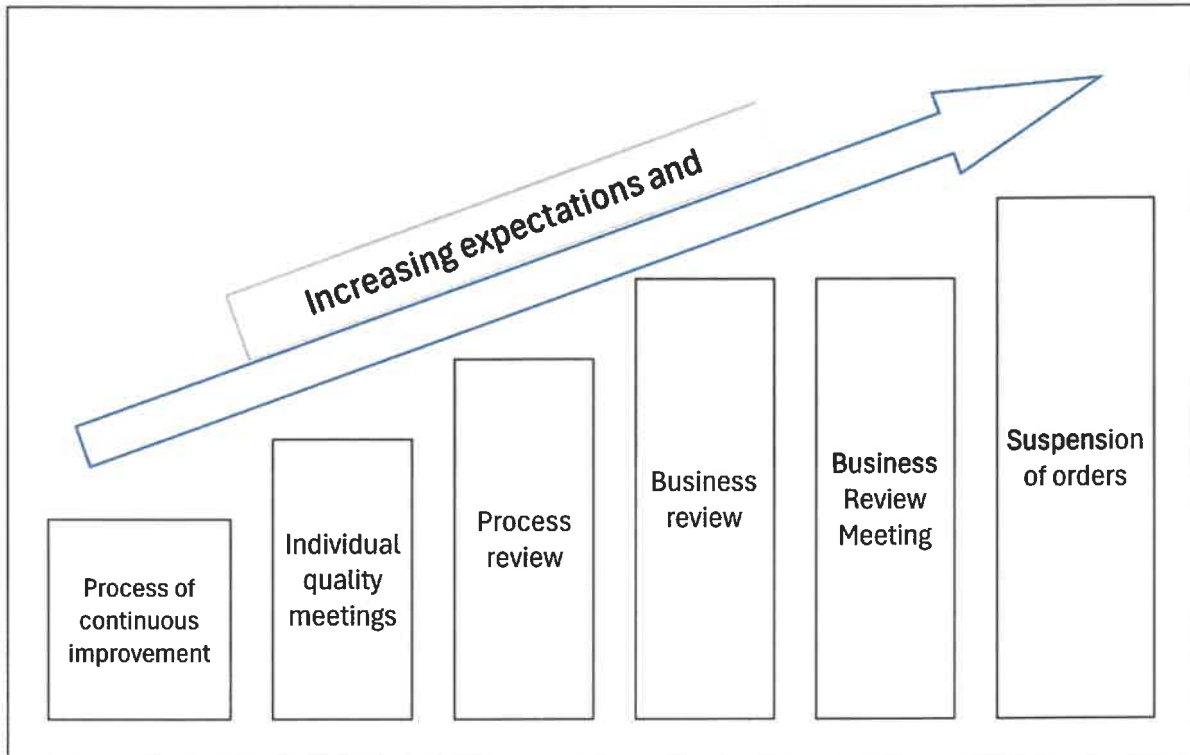
Escalation - level 2

Meetings on the topic of delivery of non-compliant products are held with the executing specialised departments with involvement of the supplier's respective (middle) management.

Escalation - level 3

Meetings on the topic of the quality of deliveries are held on the level of the TOP management. Within the terms of discussion with the top management for quality assurance, classification can be reduced to category "C" in relation to quality performance. Minutes must be taken of escalation meetings and these serve to evaluate the process of escalation for the specific supplier during its subsequent assessment.

Escalation diagram:



Increasing expectations and restrictions

Process of on-going improvement/ Individual quality meetings/ Review of the process/ Commercial review/ Meeting on commercial review/ Interruption of delivery

8. SUPPLIER'S LIABILITY, SANCTIONS

8.1 General liability

The supplier bears primary production liability for the components delivered to TWS and used in the final product, in relation to their quality and their safety. TWS is not liable for defective products that were not registered by random receiving inspection.

TWS expects suppliers and subcontractors to create organisational and technical conditions to increase the quality of their components (materials) and minimise the risk of product liability.

Suppliers are required to adhere to social, ethical and environmental standards within the terms of company and business sustainability. Sustainability requirements are applied within the terms of the entire supplier chain.

Responsible management of the supplier chain takes into account adherence to all CSR (Corporate Social Responsibility) areas within the terms of the TWS Company's supplier chain, these being economic (transparent business and positive relations with investors, customers, suppliers and other business partners), social (responsible behaviour of companies towards employees and support of the surrounding communities), environmental protection (protection of natural resources and the smallest possible environmental impact).

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Cooperation with suppliers of high-quality input materials increases the quality of products and the efficiency of production.

We expect suppliers to refrain from using raw materials from smelting plants and refineries that do not meet OECD requirements for due diligence in the raw mineral supplier chain from conflict-affected and high-risk areas. This especially applies to tin, wolfram, cobalt and gold. Information about smelting plants or refineries used by suppliers or subcontractors must be provided to TWS representatives on request.

Suppliers are required to complete the "Supplier CSR assessment" questionnaire, which is sent to them and assessed by the Procurement Department, once a year.

8.2 Logistic defects and defects in the field of product quality

Logistics is considered an integral element of quality at TWS. In the event of inconsistencies in logistics, the delivery is considered non-compliant and the essential costs related to its resolution are charged to the supplier.

The supplier is required to reimburse TWS for all justified costs incurred as a result of a non-compliant delivery. It is also required to cover potential costs incurred as a result of in-house sorting at TWS, which was necessary for the implementation of immediate measures established for resolving non-compliant deliveries, according to Annex No. 1. These costs are claimed against the supplier by a worker of the Supplier Claims Department under the TWS Procurement Department.

8.3 VW 91101

Important information!

Obligations according to standard VW 91101 concerning the environmental impact of vehicles - Vehicle components, materials, operating fluids - Preventing use of harmful substances:

This standard provides information regarding substances, devices and products, the use of which is prohibited, restricted or subject to other obligations at VW.

According to this standard, a record must be made in the respective technical materials stating: "Prevention of harmful substances according to VW 91101."

TWS is certified according to ISO 14001 as amended and waste and hazardous chemical disposal is evaluated in compliance with the requirements of this standard and the legislation valid in the Czech Republic.

8.4 Conflict of documentation

In the event of any conflict between articles or points of this "Manual" and the commercial contract, the commercial contract prevails over this document.

**MANUAL FOR ASSURING THE QUALITY OF PURCHASED COMPONENTS, ESPECIALLY
FOR THE AUTOMOTIVE INDUSTRY IN Tawesco s.r.o. KOPŘIVNICE**

Annex No. 1 to the Manual for Assuring purchased component quality - Table of administrative costs in relation to non-compliant deliveries of material.

SANCTIONS: *Table of costs in relation to a specific type of non-compliance charged to the supplier.*

Specification of the charged cost	Costs (in euro)	Other claimed amounts
Contractual penalty (recourse) (Administrative processing of the issue, fixed rate per claim)	€ 100	
Stopping the customer's production line	€ 6,000	* Depending on actual damages charged by the customer
Logistic inconsistencies		
Incomplete delivery, inconsistent number of items in a delivery	€ 100	* Demonstrable additional costs
Non-compliant packaging / damaged packaging / dirty (rusty) packaging	€ 100	* Demonstrable additional costs
Incomplete documentation to the delivery (missing certification, delivery notes,....)	€ 100	* Demonstrable additional costs
Substitution material compared to the DL and Certification	€ 100	* Demonstrable additional costs
Inspection of products by sorting		
Sorting of the supplier's non-compliant products at TWS: 100% visual inspection, receiving inspection	€ 50/h	* Demonstrable additional costs
Sorting of non-compliant products at the customer	Depending on the invoice sent by the end customer of Tawesco s.r.o.	* Demonstrable additional costs
Idle time of production machinery and equipment		
250, 500, 800 tonne presses	€ 150	* Demonstrable additional costs
1,250, 2,000 tonne presses	€ 170	* Demonstrable additional costs
Transfer press	€ 190	* Demonstrable additional costs
Transfer and hydraulic press	€ 200	* Demonstrable additional costs
Performance of tensile tests with a protocol at the Tawesco s.r.o. laboratory	€ 100	
Performance of a chemical analysis with a protocol at the Tawesco s.r.o. laboratory	€ 70	
Performance of a tensile test with protocol	€ 150	
Performance of a chemical analysis with a protocol at a certified independent laboratory	€ 150	

Note: Costs - the set amount is valid, unless arranged otherwise
 Demonstrable additional costs - this concerns demonstrable costs incurred by TWS in relation to dealing with the claim (e.g. interruption of production at TWS, special journeys, sorting production at the TWS customer's premises)

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- ***Amounts given in the list are claimed against the supplier by the TWS Quality Management Department in cooperation with the Procurement Department.***
- ***Suppliers are provided with all evidence to the specific incident of non-compliance on request.***