# Manual
# Production Materials

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(here on foward“CEFA/MRA”)

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Copies of this manual distributed to suppliers are not controlled.
For the latest version, please contact CEFA/MRA Purchasing.

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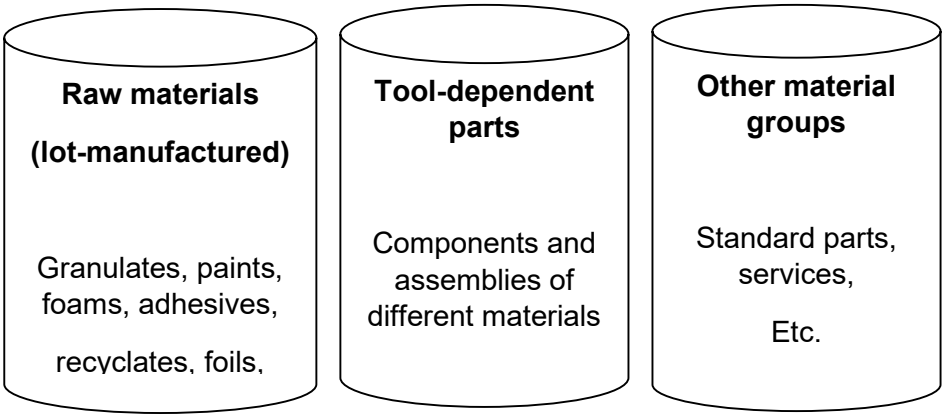
## 1 OBJECT

The basis for CEFA/MRA's performance capacity is the quality of products, which is in large part influenced by the quality of delivered products. Therefore, quality capability of suppliers and control of all processes in the chain of delivery are decisive criteria for the CEFA/MRA's purchasing decision.

The present manual defines requirements for suppliers. The requirements defined in this manual are supposed to ensure that suppliers possess the capacity to correspond to CEFA/MRA Standards and commit themselves to continuous improvement of their processes and quality performance.

## 2 SCOPE OF APPLICATION

The present manual refers to all production materials acquired by CEFA/MRA. The group of production materials is sub-divided into three sub-groups.




Requirements for supplier and product qualification differ for the individual sub-groups.

Supplier requirements will be stipulated by CEFA/MRA on their own behalf as well as on behalf of all sites and module centers associated with CEFA/MRA.

## 3 GENERAL ISSUES

The requirements mentioned must be observed in addition to individual regulations in the technical documentations (drawings, technical conditions, specification, etc.), all requirements specified in the order, and all other instructions therein contained.

CEFA/MRA Preserves the right to revise this manual at any time as necessary. The modifications by CEFA/MRA will be binding and mandatory for the Supplier from the date of receipt of the notification with the changes sent by CEFA/MRA.

Acceptance of this manual is a condition for the conclusion of a contractual agreement between SUPPLIER and CEFA/MRA.

Specific requirements for production materials are established in part-specific specifications. Acceptance of these specifications is also a condition for the conclusion of a contractual agreement between SUPPLIER and CEFA/MRA.

If there should be a contradiction between the requirements of the technical documentation and the present manual, the technical documentations will be decisive.

## 4 SUPPLIERS' RESPONSIBILITIES

Working bases are the technical, financial, qualitative and deadline targets that were coordinated across the company and agreed upon with the supplier on the basis of inquiry documents.

### 4.1 QUALITY OF PRODUCTS AND SERVICES

Suppliers have complete responsibility for the quality of their products and services. CEFA/MRA follows a zero-error strategy. In part-specific purchased-parts specifications and quality agreements the pertaining individual actions will be substantiated.

### 4.2 TECHNICAL DOCUMENTATION

Suppliers are responsible for understanding and observing the technical documents (drawings, CAD data, and specifications) as well as other technical stipulations. In case of doubts, the supplier will contact the responsible employee in Purchasing. It is expected that the supplier will clarify all open questions already in the product-planning stage.

All modifications of technical specifications will require the written authorization by CEFA/MRA. Any oral agreements will be inadmissible.

### 4.3 QUALITY SYSTEM

The supplier's obligation to deliver fault-free products must be ensured by means of a contemporary and effective QM system which will implement the zero-fault principle in the product development and manufacturing process. Emphasis must be given to fault-prevention instead of fault-detecting procedures. This procedure will increase productivity and permit continuous improvement of quality, benefitting both supplier and CEFA/MRA jointly.

CEFA/MRA expects from their suppliers the application of a QM system that complies with the standard requirements of ISO 9001:2000. Moreover, CEFA/MRA expects from all suppliers the application of procedures, processes and documentation steps that are customary in the automotive industry, without the need of an explicit request. CEFA/MRA thus asks their suppliers to adjust their QM system to the special requirements of the automotive industry and to become certified as per ISO/TS 16949.

In order to comply with the CEFA/MRA environmental requirements, certification as per DIN EN ISO 14001 is recommended.

Suppliers are required to present existing certificates to CEFA/MRA Purchasing, and to indicate immediately in writing any change of certification status.

CEFA/MRA reserves the right to verify existing certificates or to perform their own quality audits in the suppliers' production operation in form of system, process, product audits or production trial runs, as well as to verify suppliers' audit results. The supplier will be informed in writing about the planned audits. In case of deviations, the supplier commits to the presentation of an action plan for system improvements and their implementation. CEFA/MRA may require being included in this optimization process.

## 4.4 SUPPLIER RELEASE AND QUALIFICATION OF NEW SUPPLIERS

Acceptance of new suppliers into the group of approved suppliers will be handled by Technical Purchasing. If the required conditions exist, a supplier number will be awarded. Conditions for this are the following:

- Completely filled out supplier self-disclosure
- Presentation of a valid QMS certificate (see previous chapter)
- Signed confidentiality declaration
- Signed master agreement
    - Acceptance of purchasing terms and conditions
    - Acceptance of the present manual

This procedure may not be applied to OEM nominated suppliers, as the case may be.

## 4.5 QUALIFICATION OF STRATEGIC SUPPLIERS

If Technical Purchasing should decide to intensify cooperation with an approved supplier, a process of continuous improvement will be applied. The basis of this process is a periodical supplier assessment, which will be carried out according to the following criteria:

- Certification status (QM and UM)
- Quality capability (ppm)
- Delivery reliability (quantity, deadline)

- Commercial evaluation

The result of the supplier assessment is the basis for definition of improvement measures between supplier and CEFA/MRA. The object of this process is to achieve a trouble-free cooperation between CEFA/MRA and the supplier, which in large measure is oriented towards CEFA/MRA as needs.

## 4.6 INTEGRATION OF CEFA/MRA CUSTOMERS

Of necessary, CEFA/MRA will have the right to visit the supplier's manufacturing sites at any time with their own employees or with employees of their customers prior coordination of dates, and to verify order-related criteria.

## 4.7 ADMINISTRATIVE REGULATIONS

All delivered products and materials must comply with the valid legal provisions.

## 4.8 ENVIRONMENTAL REQUIREMENTS

The European directive on end-of-life vehicles (2000/53/EG) prescribes the reusability / recycling of individual components. Materials must be separable correctly sorted and reusable. High recyclability must be taken into consideration constructively. Upon request, the supplier must present a recycling concept for all components.

If necessary, the supplier will provide CEFA/MRA with information concerning environmentally sound reusability, reutilization, and disposal. Material identification in the component is required. National laws and guidelines must be observed.

In order to comply with European Directive no. 1907/2006 (REACH) the supplier must ensure, if necessary, that only substances registered with the EU Chemicals Agency will be used. In addition, the supplier must participate actively in the communication process on the application of products.

## 4.9 SUBSTANCES / IMDS

Carcinogenic, toxic, or mutagenic substances of content are completely forbidden. Any health hazard for the user in case of correct use must by all means be excluded.

For sampling of production material, suppliers must enter the required indications in the IMDS* web data base and submit the data entry as finished. Without this data, CEFA/MRA will not be able to proceed with the release of the initial samples.

*: see www.mdsystem.com

## 4.10 WARRANTY

Applicable are the warranty terms and conditions as established by the OEM. If the OEM does not process warranty claims for production material directly with the affected supplier, supplier will accept the warranty regulations and recourse proceedings determined by the OEM also in the contractual relationship with CEFA/MRA.

## 4.11 SUSTAINABILITY, A GLOBAL PRINCIPLE

Sustainability is a long-term strategic success factor for CEFA/MRA and their suppliers.

The CEFA/MRA guideline of sustainability actively promotes sustainable operations, processes and conditions in all areas of our business.

Sustainability in CEFA/MRA is based on three elements:

- Social Responsibility
- Environmental Responsibility
- Ethical Responsibility

Sustainability in CEFA/MRA is a top-down approach beginning with the leader of a subsidiary, and covering all other employees in the organization as well. The target is to become a better company, in the sense of wealth for the community and earth from a mid and long-term perspective.

Our sustainability mission is part of the global CEFA/MRA quality system and therefor also relevant for all CEFA/MRA suppliers.

CEFA/MRA is requesting every supplier to respect and act according to the international based standards such as:

- United Nations Global Compact (http://www.unglobalcompact.org)
- ILO International Labour Standards (http://www.ilo.org).

If necessary, the supplier will provide CEFA/MRA with information concerning their sustainability policy and, where appropriate, a certificate certifying compliance with the OIT international labor regulations.

# 5 REQUIREMENTS

## 5.1 INQUIRY / QUOTATION

### 5.1.1 DIRECT CONTACTS WITH THE AUTOMOBILE MANUFACTURER

Direct contacts of the supplier with the automobile manufacturer regarding CEFA/MRA orders are only admissible prior approval by CEFA/MRA. Suppliers will always inform to CEFA/MRA in writing complete information of any communication with OEM related to his orders (f.i information exchanged with OEM Development department).

In all matters relating to the order, suppliers must ask CEFA/MRA for express authorization to directly contact the OEMs and, after that authorization is obtained, send complete information of the meetings they have held and the documentation shared with the OEM (eg. with their affected development departments).

### 5.1.2 Cost reduction program

CEFA/MRA expects of all suppliers to establish annual cost reduction goals which go beyond the agreed-upon life-time contracts and implement these. Goals will be defined together with the CEFA/MRA technical buyer. However, it is imperative that function and quality requirements are being observed. CEFA/MRA acts on the assumption that annual cost-saving goals will be achieved by process improvements and / or development of alternative materials. Progress of this cost-reduction program will be continuously monitored by the supplier and communicated to CEFA/MRA.

### 5.1.3 ORDER / DELIVERY PLAN

After the internal sourcing decision by CEFA/MRA, the supplier will receive a delivery plan or order. This contains all relevant information for the order.

Invoices or demands of suppliers that are not based upon a written order by CEFA/MRA Purchasing will not be acknowledged.

A delivery plan is not a release for delivery of merchandise. This will occur by means of a delivery call-off from the plant for which the deliveries are destined.

## 5.2 REQUIREMENTS PRIOR TO SERIAL PRODUCTION

### 5.2.1 QUALITY PLANNING

5.2.1.1 PLANNING

On principle, for the definition of the manufacturing process of new products or technical changes, quality planning must be carried out by the supplier in direct responsibility. For this purpose, suppliers will take into account the procedures of the corresponding automobile customers.

CEFA/MRA must at any time be allowed to inspect planning documentations. The planning elements FMEA, production control plans, test equipment planning, determination of special characteristics and packaging planning will have to be agreed upon with CEFA/MRA. For monitoring and progress control, a detailed schedule containing all planning elements will be given to CEFA/MRA after award of the order. If necessary, compliance of planning must be substantiated by means of monthly status reports (quality status report Purchased Parts P-60-05-0-F18). For deadline-relevant changes, project status must be transmitted in reference to the updated schedule.

CEFA/MRA reserves the right to inspect progress of the order prior notification of the supplier. The supplier obligates himself to see that this right of inspection may be executed by CEFA/MRA throughout the entire process chain.

5.2.1.2 PERSON IN CHARGE OF THE PROJECT AT THE SUPPLIER'S

The supplier will nominate in writing a responsible employee and his substitute, who is in charge of coordinating and supervising tasks for the order at the supplier's. The supplier will ensure that there are sufficient resources available to finalize the required activities.
Responsiveness and information capability of these persons will be guaranteed by the supplier.

5.2.1.3 PROJECT MEETINGS

If a corresponding invitation exists, the supplier will participate in project meetings and will process the tasks defined in these meetings within the stipulated deadlines.

5.2.1.4 DUTY TO INFORM

If there are any problems in the product or process, the supplier must transmit the corresponding information immediately to CEFA/MRA and will prepare suggestions and problem solutions in jointly responsible cooperation.

The supplier will inform CEFA/MRA completely on all order-related transactions. The supplier has particular duty to inform regarding the following criteria: Compliance of deadlines, quality and cost risks, as well as modifications of the object of the order.

The supplier will keep a part history (if necessary, in the form stipulated by the OEM) and is obligated to make this history available to CEFA/MRA.

### 5.2.2 DEVELOPMENT

#### 5.2.2.1 DEVELOPMENT GOALS

In the framework of a development, the specifications must be realized subject to strict compliance with all deadlines defined.

The size of the order will be developed / prepared in close coordination with the responsible CEFA/MRA functions. During processing of the entire order, optimal recycling with the least possible weight must be observed. Ease of assembly and constructive consideration of the least possible process variations will be taken onto account.

#### 5.2.2.2 DEVELOPMENT DOCUMENTATION

The supplier will keep, maintain, and file complete development documentation and allow CEFA/MRA to inspect this at any time.

Part of this documentation is, among other things:

- Schedules: comparison of nominal/real
- System FMEA Product, System FMEA Process
- Definition of special product and process characteristics
- Results of all concept tests and calculations (e.g. mold-flow)
- Chronological documentation of technical modifications
- Status reports
- Documentation of all functional dimensions
- Versification and validation results and reports
- Production control plans

### 5.2.3 SAMPLING AND INITIAL SAMPLES RELEASE

5.2.3.1 PRE-SERIES SAMPLING

Working models and prototype parts must be delivered with the required quality evidence and pertaining part identifications. Type and scope of test and measuring protocols must be coordinated with the CEFA/MRA project manager or the responsible quality engineer.

5.2.3.2 PRODUCTION PROCESS AND PRODUCT RELEASE

On principle, prior to delivery of new products, in the event of technical modifications of products, and in case of modifications of production processes, an initial sampling must be performed by the supplier. Suppliers will in this case take into account the procedures of the respective automobile customers.

At the time of the planned initial sampling date, products must be provided which conform in all points to the requested requirements. It is therefore necessary to plan and carry out samplings and optimizations at an early stage, so that the initial sampling date can be complied with under all circumstances.

Type and scope of the production process and product release procedure will be established by CEFA/MRA in the “Purchase parts Specifications”*(P-40-35-F03*) or by means of a written agreement with the competent quality engineer. If nothing else has been agreed upon, submission stage 2 for VDA and 3 for PPAP will be applied. OEM-specific authorization procedures and processes will be coordinated with the supplier in the framework of quality planning with the supplier.

For the purpose of inspection and release, complete sampling documentations with a sufficient number of samples (as per agreement) with separate delivery documents must be delivered or presented to the competent QA department of the CEFA/MRA plant. The sample quantities are free of cost for CEFA/MRA.

All product characteristics indicated in the technical documentations must be mentioned in the sampling reports, indicating nominal value, tolerance, and the determined real values. The supplier will conserve (as long as it has been provided by CEFA/MRA) an approved sample and the test results determined by him up to the end of manufacture or modification of the affected part.

The QA department of the CEFA/MRA plant will inform the supplier regarding the sampling result. For all deviations, the supplier must immediately implement corrective actions. Within the required period, a repeat sampling must be carried out.

Serial deliveries may only be made when a successful sampling has been carried out and written approval by the QA department of the CEFA/MRA plant exists. All deliveries prior to this moment will require a quantity- or time-related special approval by CEFA/MRA QA.

Documents authorized by CEFA/MRA (production control plans, test process plans, risk analyses, etc.) may not be modified without prior consent by CEFA/MRA.

Initial samples or initial sampling documents that have been not been presented on time or are incomplete, as well as repeat samplings due to supplier faults lead to additional costs, which will be charged to the supplier.

#### 5.2.3.3 PRODUCTION TRIAL RUN

For selected products, CEFA/MRA will reserve the right to carry out a production trial run in the supplier's installations. As a general rule, this measure will be implemented before delivery of first series parts and will be always coordinated on due time with the supplier regarding dates.

The supplier will not charge any additional costs for the production trial run. Id a repetition of the production trial run is necessary due to supplier errors, the supplier will be charged with the additional costs incurred by CEFA/MRA.

#### 5.2.3.4 RE-QUALIFICATION TESTS

The products must be submitted to a complete measurement and function inspection along the series production process, taking into consideration the applicable customer specifications for material and function. OEM-specific minimal frequencies must be complied with. Results must be available for customer assessment.

### 5.2.4 TECHNICAL MODIFICATIONS

#### 5.2.4.1 GENERAL REQUIREMENTS

For the purpose of requests for technical modifications, the supplier will receive an inquiry form together with all necessary technical documents (e.g. drawing, CAD data, marked part ...). The supplier will determine feasibility, costs incurred, and the duration of change and will transmit to CEFA/MRA Purchasing within the defined deadline a detailed quotation. The modification quotation must include a cost breakdown. Part of this offer is a schedule, including sampling date, and a regulation regarding the use of existing parts of the version to date.

CEFA/MRA Purchasing will inform the supplier, together with the sampling order, on the planned date of initial sampling. All price modifications will be negotiated by CEFA/MRA Purchasing.

Transfer of technical modifications into manufacture will be handled in coordination with Material Planning of the corresponding CEFA/MRA plant.

If there should be any costs for backlog materials, they must be cleared in coordination with CEFA/MRA.

Without written authorization by CEFA/MRA (Product Development and / or QA of the manufacturing plant) and on case of cost acceptance by CEFA/MRA and an order by Purchasing, no changes may be made. No costs will be reimbursed for any changes of tools and testing equipment without written order by CEFA/MRA Purchasing. Supplier is obligated to assume all costs caused by possible defects.

In case of changes without prior authorization by CEFA/MRA, the supplier is obligated to reimburse any damages that would result for CEFA/MRA.

#### 5.2.4.2 PRODUCT-RELATED MODIFICATIONS

The supplier is obligated to inform CEFA/MRA in the following cases prior to implementation of the planned action, and to obtain the authorization of CEFA/MRA:

- In case of planned relocation of production (manufacturing site)
- In case of planned change of supply sources of pre-products, as far as this may influence product / process characteristics
- In case of planned changes of recipes or composition of raw materials and paints.

In these cases a sampling and approval procedure must be coordinated with the corresponding plant QA.

Deliveries may only be made after successful conclusion of the sampling and approval procedure by CEFA/MRA. As long as this is not the case, the unvaried version of the product must be delivered.

## 5.3 REQUIREMENTS DURING SERIAL PRODUCTION

### 5.3.1 QUALITY ASSURANCE

#### 5.3.1.1 MONITORING OF SERIAL PRODUCTION

The supplier will acquire all testing and measuring devices necessary to be able to inspect all characteristics stipulated according to the technical documentations. The supplier will ensure that testing will be done according to the most recent technical

documentations. Without written authorization by CEFA/MRA, no deviation from technical documentations is allowed. In order to monitor quality and timely implementation of remedial measures in case of quality deviations, appropriate procedures must be used. These include, among others, statistical process regulation.

#### 5.3.1.2 QUALITY RECORDS

Documentation must be kept in such a manner that the supplier can prove with their help that drawing, stipulation requirements and specifications have been complied with along the entire development and delivery period and may be evidenced.

The results of quality-related activities must be recorded. The supplier will allow CEFA/MRA to inspect the quality records regarding product and process.

In the framework of a quality assurance agreement it may be stipulated that special characteristics must be proven separately. This evidence may be provided by means of work's test certificates as per VDA, for example.

#### 5.3.1.3 PPM-AGREEMENT

Principle for the supplier there is a zero defect target. Notwithstanding this objective is granted the supplier a maximum goal differential of the individual target signed between him and each Quality responsible CEFA/MRA. If this target deviation is not justified on technical grounds be preserved, the supplier is requested a separate agreement with the department quality.

### 5.3.2 IDENTIFICATION

#### 5.3.2.1 PRE-SERIES PARTS AND PROTOTYPES

All deliveries of prototypes, pre-series parts and sampling materials must be clearly marked as samples. Identification on the delivery documents, packaging units and parts will include indication of the current change status (e.g. S-Status). The supplier will determine the type of identification in coordination with CEFA/MRA, as long as it is not clearly described in the specifications.

Customer requirements regarding identification and documentation of pre-series and prototype parts must particularly be taken into account in case of deliveries to CEFA/MRA. This will be defined in the specifications, if necessary.

5.3.2.2 PART IDENTIFICATION

Part identification will be carried out according to specifications of the technical documentation. Moreover, every part must be marked, if possible, with a permanent identification for lot identification (for instance a date stamp). Lot-related products must bear the lot number both on the delivery documents and on individual packaging units.

5.3.2.3 DELIVERY IDENTIFICATION

Every packaging unit must be marked for identification with a merchandise label. This label must be designed per VDA recommendation 4902, Version 4 (barcode-capable). If small load carriers are being used, VDA recommendation 4500 must be observed. Any deviation must be coordinated with CEFA/MRA.
In every delivery a delivery note with the following indications must be included:

- Ordering number
- Supplier number
- CEFA/MRA material number
- Denomination (matching CEFA/MRA order text)
- Los (for mandatory lot material)
- Change index
- Quantity
- Type of packaging
- Packaging quantity
- Supplier plant
- Manufacturing date

5.3.2.4 IDENTIFICATION OF MODIFIED PARTS / MATERIALS

After realization of a modification affecting the product, the first three deliveries must be marked with the denomination “Modification” and will be clearly marked with the indication of the corresponding change index.

5.3.3 LONG-TERM SUPPLIER DECLARATION

The Suppliers will prepare every year upon request by CEFA/MRA within 2 weeks a long-term supplier deviation, which will include indications regarding the preferential origin characteristics of the delivered merchandise. If the origin characteristic of a part is changed according to this declaration, or if new parts are included in the scope of delivery, a new long-term supplier declaration must immediately be presented. This also applies to new suppliers.

### 5.3.4 PACKING

Packaging of products will be carried out according to the requirements in the inquiry form and other applicable specifications. In any case, packaging must ensure that the merchandise is protected according to quality requirements, and shows optimal behavior regarding cost effectiveness, storage, transport and utilization (environmental protection) of packaging and products.

CEFA/MRA prefers reusable packaging. Therefore, use or utilization of reusable packaging must be avoided as much as possible.

If necessary, the supplier must present a packaging suggestion, including alternative packaging (exclusively for bottleneck situations). This must be presented to packaging planning of the delivery plant and will be approved by this function.

### 5.3.5 CALL-OFFS

Production material will be ordered by means of the *Delivery plan*. The target quantity defined in the *Delivery plan* will be distributed by means of the *Delivery call-off* (VDA 4905, 4915 or 4916). The *Delivery call-off* defines the quantity and point in time of delivery in the CEFA/MRA plant. There will be regular updating of *Delivery call-offs*. The last *Delivery call-off* transmitted will be binding.

The periods of production and material approval will be defined in the *Delivery call-off*. Indications in the delivery call-off that go beyond these approval periods must be considered as non-binding previews and are to support the supplier's long-term production planning. By principle, transmission of delivery call-offs will be by way of Remote Data Transfer.

CEFA/MRA reserves the right to arrange call-offs also by means of Kanban or per VMI (vendor-managed inventory).

The supplier will keep records on additional freight costs for which he is responsible (for special deliveries) and will make these records available for inspection by CEFA/MRA if requested.

### 5.3.6 ADVANCE SHIPPING NOTICE

CEFA/MRA may request an advance shipping notification, ASN) as per VDA 4913.

### 5.3.7 ELECTRONIC DATA EXCHANGE

The provider shall have connection to Internet, an interface that allows the exchange of information with the CEFA sistems (EDI system) and an email address. In case any of those elements were not available at the date of this agreement, the provider shall be obliged to have them installed and bear the installation costs before the beginning of the service providing.

### 5.3.8 GENERAL REQUIREMENTS FOR DELIVERY OF RAW MATERIALS

See Appendix: Raw materials

### 5.3.9 DELIVERY QUALITY

The supplier is obligated to carry out all required inspections on his products, particularly a pre-shipping inspection, in order to achieve the zero-fault target. Under his own responsibility, the supplier will determine an inspection concept and coordinates it with CEFA/MRA, if necessary.

Independent test labs commissioned by suppliers must be accredited according to ISO/IEC 17025 or an equivalent national standard, or else must be accepted by CEFA/MRA in writing.

For proof of conformity of important characteristics, the inclusion of certificates in the form of work's test certificates according to DIN EN 10204 – 2.3 or 3.1b may be stipulated. If required, these must be included in the delivery documents of every delivery of the pertaining manufacturing lot.

In general, receiving inspection is limited to inspection of CEFA/MRA part number, type and possible transport damage.

As far as applicable in the normal course of business, CEFA/MRA will inspect the delivered products either before beginning of the next manufacturing step or subject the finished parts manufactured using the delivered products to an inspection. In both cases and without prejudice to article 328 Commercial Code CEFA/MRA is responsible to check the parts after delivery by supplier and to indicate any Quality or quantity defects of the products immediately to the supplier, as soon as they are detected according to the conditions of a normal course of business. Notification for complaint to Supplier will be carried out in a reasonable time according to defect's kind and enough to safeguard CEFA/MRA rights. There are no further inspection duties by CEFA/MRA according to articles 327, 336 Commercial Code.

CEFA/MRA must indicate any defects of the products immediately to the supplier, as soon as they are detected according to the conditions of a normal course of business. If nothing is particulary agreed regard to that, defected parts will be rejected to supplier to be analyzed. The supplier therefore relinquishes the exception of belated notification of defects

The additional expenditure caused for CEFA/MRA due to defects in deliveries, missing or incomplete certificates, not performed or incomplete samplings, and repetition of production trial runs forced by suppliers' faults, will be charged to the suppliers.

### 5.3.10 SPECIAL RECEIVING GOODS CONDITIONS

See Appendix: Raw materials

### 5.3.11 CORRECTIVE ACTIONS

Claims and complaints will be communicated to the supplier by way of inspection reports per E-Mail. In this case, CEFA/MRA expects an immediate reaction and implementation of corrective actions and the corresponding information of the complaining office. The supplier is obligated to see that the implemented actions are based on systematic fault analyses, that they are permanently effective and that a repetition of the complaint can be excluded. For documentation and information on the event, the supplier will transmit an 8-D report.

Complaints and quarantines do not absolve the supplier from his delivery obligation.

If the actions implemented by the supplier do not show the effect required by CEFA/MRA, then CEFA/MRA reserves the right to perform process audits in the supplier's production sites. If necessary, these process audits may be complemented by workshops for human-error safety.

### 5.3.12 INVOICES

Self-invoicing system will apply as preferent one to all suppliers. If for any exceptional reason and in any case as temporal stage this was not applicable, the incoming original invoice of a creditor must contain the following mandatory legal indications:

a) Complete name and complete address of the invoicing party and the invoice recipient
b) Supplier code / Supplier order
c) An invoice number
d) Date of issue
e) Payment terms and bank details

f) The quantity and type of delivered objects, or the type of service provided
g) The applicable racks rate as well as the tax amount for the payment or, in case of a tax exemption, an indication that there is an applicable tax exemption for the delivery or service
h) Approval / release (if applies)
i) Price per unit, discounts and total amount
j) Taxes according applicable laws

In addition, delivery document and order numbers should be indicated on all invoices, as well as conditions of payment and bank data.

## 5.4 RISKS

### 5.4.1 LABOR DISPUTES

CEFA/MRA expects immediate information regarding imminent labor disputes which might impede the supplier's production and delivery of products and services destined for CEFA/MRA.

### 5.4.2 OTHER DISTURBANCES

CEFA/MRA expects immediate information on other faults to be expected or that already have occurred (e.g.: technical defects, capacity bottlenecks, quality problems), which might endanger compliance with the supplier's delivery obligation toward CEFA/MRA.

Supplier's management is in all cases obligated to prepare emergency plans and implement corrective and preventive actions in such a manner, or coordinate them with CEFA/MRA, that the problems may not have any negative effect on the workflow at CEFA/MRA.

## 5.5 SPARE-PARTS SUPPLY

The supplier must respect the needs of CEFA/MRA concerning spare parts during the life of the components, maintaining the series price and during the subsequent period that OEM indicates (after completion of the mass production). If requested, the provider must provide maintenance information and technical advice to assist CEFA/MRA in the use of spare parts. In the case of the modules and assemblies, the supplier shall provide also the individual components that are part of the modules.

During the term of the spare parts supply period, the Supplier will be obliged to keep in his possession and under his care the molds that CEFA/MRA had been able to deliver for the manufacture of parts and/or components.

## 5.6 SOLUTION OF DISPUTES

The supplier must have a procedure for solving quality problems with his sub-suppliers available. This procedure must include regulations for defective material, monitoring of corrective actions, the financial effects and supplier assessment.

In case of claims between a CEFA/MRA Plant and Supplier, it will be required to first contacting CEFA/MRA Purchasing department.

## 5.7 CONFIDENTIALITY / NONDISCLOSURE

In case of data transfer, a declaration of confidentiality regarding the project will be required to be accepted and signed to the supplier

## 5.8 GIFTS AND GRATIFICATIONS

High ethical principles are in the mutual interest of CEFA/MRA and their suppliers. They are fundamental for a solid business relationship.

CEFA/MRA employees are not allowed to accept gifts, money, services at no charge, accommodations, or entertainment from their suppliers.

Please do not offer any of those!

# 6 REFERENCES

| | |
|---|---|
| „Purchase Parts Specifications“ | P-40-35-F03 |
| „Confidentiality Agreement“ | P-40-35-0-F21 |

# Appendix: Purchased parts

## 1 Sub-suppliers (re: 4.10)

Any change of sub-suppliers may only occur after authorization by CEFA/MRA Purchasing. In this case a new initial sampling is required. In case of non-observance of this requirement, the supplier will incur all possibly resulting costs. Employment of sub-suppliers releases the supplier from his overall responsibility for the production materials to be delivered.

The supplier will commit his sub-suppliers in adequate form to compliance with the requirements of the present manual, and therefore ensure the defect-free quality of hos purchased materials.

CEFA/MRA may request documented evidence that the supplier has convinced himself of the effectiveness of the QM system of his sub-suppliers.

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## 2 General (re: 5.1.1)

All inquiries will be in the form specified by the buyer. Only complete quotations will be taken into account. Quotations received after the deadline will not be acknowledged. Oral quotations and quotations by telephone must in all cases be confirmed in writing.

The offer must conform exactly to the tendered scope of services and refer to the requested quantities. Start-up costs will not be accepted.

Production material must be shipped according to the requirements of the receiving plant. The quotation must be broken down as follows:

Part prices incl. packaging handling (A price)

+ Packaging costs (container)

+ Transport costs finished product

= B price (DDP)

Price validity: The price will be valid during the series duration and until the end of the duration of spare-parts supply service, unless price validity has been otherwise stipulated.

The quotation should contain all costs for manufacture, delivery, inspection, and documentation of the part according to CEFA/MRA requirements. Prior to submission of the quotation, the supplier must check if all required information is available and if feasibility is given. The quotation must include a detailed cost breakdown.

All orders of prototypes, pre-series or serial parts will require sampling / approval of parts prior to start of delivery in the amount agreed upon. All costs related to sampling and approval of parts (e.g.: samplings, matching work, initial sampling, production trials. etc.) will be borne by the supplier.

The quotation must contain a cost breakdown for the manufacture of new molds, production and testing equipment as well as indications of their manufacturers.

All costs caused during duration of the order in relation with the maintenance or upkeep of operational readiness of molds, production and test equipment will be borne by the supplier. Molds, production and test equipment may only be disposed of by CEFA/MRA prior express authorization in writing.

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## 3 Cost review (re: 5.1.4)

CEFA/MRA reserves the right to carry out verification of the prices by means of a cost or value analysis. Of all production equipment, drawings with material indications or, if that should not be possible in all cases, photographs with scale indication, which must be made available upon request.

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## 4 Molds, testing and production equipment (re: 5.2.5)

Commissioning of molds, testing and production equipment implies that upon request the manufacturers must be named and the current design documents (drawings, data, etc.) must be made available to CEFA/MRA.

On principle, all molds, testing and production equipment must be marked according to CEFA/MRA Purchasing as per proprietary right and physically attachable.

Under no circumstances has the supplier the right to use molds, testing or production equipment for the manufacture of parts for other customers, unless CEFA/MRA Purchasing has given their express consent in writing.

The supplier commits himself to insure the molds, testing and production equipment that are property of CEFA/MRA or their customers, sufficiently against damages and loss of all kinds. The supplier will maintain the molds and testing and production equipment in perfect state. Therefore the supplier will carry out the required repairs and actions of preventive maintenance of these molds and production equipment at his own expense and will substantiate this upon request.

If molds, testing and production equipment should not be used any more after spare part period, the supplier will inform the responsible department of CEFA/MRA Purchasing and request respective instructions. Molds and production equipment may only dispose of prior explicit instructions by CEFA/MRA Purchasing.

## Appendix: Raw materials (paints, adhesives, granulates, etc.)

### 1 Sub-suppliers (re: 4.10)

Change of sub-suppliers may only revise prior authorization by CEFA/MRA Purchasing (see Appendix: Purchased parts). In this case new initial sampling is required. In case of non-observance of this requirement, the supplier will incur all possibly resulting costs. Employments of sub-suppliers release the supplier from his overall responsibility for the production materials to be delivered.

The supplier will commit his sub-suppliers in adequate form to compliance with the requirements of the present manual and thus ensure the fault-free state of his purchased materials.

CEFA/MRA may request from their suppliers documented proof that the supplier has convinced himself of the effectiveness of the QM system of their sub-suppliers.

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### 2 General (re: 5.1.1)

All inquiries will be in the form specified by the buyer. Only complete quotations will be taken into account. Quotations received after the deadline will not be acknowledged. Oral quotations and quotations by telephone must in all cases be confirmed in writing.

The offer must conform exactly to the tendered scope of services and refer to the requested quantities. Start-up costs will not be accepted.

Production material must be shipped according to the requirements of the receiving plant. The quotation must be broken down as follows:

Part prices incl. packaging handling (A price)

+ Packaging costs (container)

+ Transport costs finished product

= B price (DDP)

Price validity: Price will be the same durting the entire series duration and until the end of the series period, including duration of spare-parts service, unless price validity has been otherwise stipulated.

The quotation must include all costs for the manufacture and delivery of the part according to the requirements of CEFA/MRA. Prior to submission of the quotation, the supplier must check if all required information is available and if feasibility is given.

All orders of prototypes, pre-series or serial parts will require sampling / approval of parts prior to start of delivery in the amount agreed upon. All costs related to sampling and approval of parts (e.g.: samplings, matching work, initial sampling, production trials. etc.) will be borne by the supplier.

All costs resulting in the context of maintenance or upkeep of operational readiness of molds and production and testing equipment during validity of the order will be borne by the supplier.

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## 3 Review of costs (re: 5.1.4)

CEFA/MRA reserves the right to review at least once per year the competitiveness of prices by means of RFQ.

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## 4 General requirements for the delivery of raw materials (re: 5.3.8)

Plastic or paints and paint systems must conform in their material and technical characteristics in the finished part to the corresponding specifications and / or the deviating requirements of our customers. For this reason, they must be manufactured and process able in normal standard processes.

Paints will be adjusted by the manufacturer to the processing conditions in CEFA/MRA paint lines. This may not cause any additional costs for CEFA/MRA. Deviations from the processes above described must be stipulated in writing.

Initial sampling release for serial delivery is subject to the material release of the products thus manufactured.

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## 5 Special receiving conditions for products with lot release obligation (re: 5.3.10)

In the case of production materials with lot-related advance release, the merchandise will be receive if a positive advance release of the lot by CEFA/MRA exists and the lot complies with the conditions mentioned below. Advance samples must be delivered with quality test certificates. Between advance release of the lot and initial delivery, a period of 3 months may not be exceeded.

Receipt of merchandise with limited storage capability will be realized when the following conditions exist:

- Indication of the expiration date on containers and shipping order
- Storage life of at least 6 months or at least 3 months for aqueous paints and Adhesives
- Presentation of advance approval in case of paints