



Supplier Quality Assurance Agreement

The purpose of this Supplier Quality Assurance Agreement is to define the minimum requirements for business relations between **SOR Libchavy** spol. s r.o. (hereinafter referred to as the "Customer") and its suppliers in order to achieve successful cooperation with an emphasis on the quality of the products and services provided.

By accepting this document, the supplier undertakes to comply with the following provisions:

Quality Management System

The supplier has a documented quality management system (QMS) in place, which is independently assessed and certified by an accredited body in accordance with ISO 9001 or a similar recognized quality management standard. The supplier shall submit valid documents in this regard. Existing suppliers of the customer who are in the process of qualification/re-qualification and are not yet certified according to ISO 9001 or similar must submit a documented plan for obtaining certification within twenty-four (24) months in advance.

Upon request by the customer, the supplier shall prepare and submit process control plans, inspection plans, test plans for parts/products/materials/services or projects that are delivered to the customer.

In the case of subcontracting, the supplier shall provide the customer's technical documentation/specifications to its subcontractors. It is the supplier's responsibility to demonstrate that it controls all its

subcontractors involved in the supply of goods and/or services according to the same standard. quality standards they apply to their production.

Product specifications and requirements

The supplier shall use the latest version of the technical documentation issued by the customer. The same obligation applies to its subcontractors.

The supplier undertakes to incorporate changes requested by the customer into its production process. The customer and supplier shall mutually agree on the effective date of such changes. If the customer issues a change request after placing an order, the supplier is obliged to review the change request by the specified deadline and confirm its feasibility.

To ensure the quality of deliveries, the supplier is obliged to release reference samples - parts that are produced under serial conditions and whose quality has been approved by the customer. Reference samples must be marked with an identification label containing the date and name of the customer's representative who released the part for serial production.



Process management at the supplier

In the area of material supply security:

- ensuring contractual relationships with suppliers
- ensuring production capacity
- ensuring sufficient capacity for extraordinary material deliveries (+15%)

In the area of material storage:

- ensuring adequate storage space
- adherence to FIFO
- ensuring the identification of parts

In the area of material receipt:

- ensuring incoming inspections

In the area of personnel:

- regular training of employees on customer requirements
- ensure substitutability

In the area of complaints and improvement:

- using standard quality tools to resolve complaints
- implementing measures to improve production processes and quality

The supplier is obliged to maintain the following QMS controls:

Production/testing equipment

The supplier is obliged to ensure that all equipment used in the process for goods or services is suitably designed, constructed, installed, calibrated, and operated.

Control of non-conforming products

The supplier is obliged to ensure the repair, sorting, blocking, return or suspension of products that do not meet the specifications. If the defect identified by the supplier poses a risk to the customer's operations, the supplier is obliged to inform the customer of such defect without delay. At the same time, the supplier is obliged to submit in writing and request permission from the customer to repair and/or remedy non-conforming parts.

Quality and test records

If requested by the customer, the supplier shall inspect each product or batch of products delivered to the customer.

The supplier should be able to identify and track the history, distribution, and location of goods associated with any purchase order.



Notifications required by the customer

Change requests

The supplier shall inform the customer in writing to determine the approval requirements if there is a change in the supplier's manufacturing process, raw materials, equipment, or subcontractors. The supplier shall also provide the customer with all relevant information on planned changes in writing with reasonable advance notice.

Deviations

The Supplier is obliged to request in writing and in advance any deviation from any requirement specified in the Customer's order, stating the specific deviation, the reason for the deviation, the period of validity of the deviation, and the corrective measures taken. If the request for deviation is acceptable, the Customer shall accept such deviation in writing.

Repairs to delivered goods

If the supplier decides that a non-conformity requires withdrawal or any form of repair of the delivered part, it shall provide the customer with technical reports and documentation on the corrective measures. In such a case, the supplier and the customer shall cooperate in managing all corrective measures related to the defective goods. The supplier is obliged to request the customer's written consent in the event of repairs to a part that are to be carried out before delivery.

Inspection of incoming goods at the customer's premises:

The supplier shall mark the goods as batches and sets (packaging units) in a manner that allows for unambiguous identification of the contents and traceability of documents. Each delivery note and invoice must contain an unambiguous, complete, and correct reference to the relevant customer order. Each packaging unit must be accompanied by a delivery note containing at least the following information: product number, designation, net weight, gross weight, quantity packed, and date of manufacture or delivery and order number.

Non-conformity management process

Based on a customer complaint, the supplier is obliged to immediately initiate action to block any reported or detected non-conforming parts, analyze the root causes, and seek permanent corrective action, which is usually concluded with an 8D report.

The implementation of the final corrective measure is subject to the customer's approval.

Problems related to the quality of deliveries shall be resolved by the supplier replacing the non-conforming part or by repairing them within the time frame defined by the customer. In critical situations (quality, time), the customer may request that the repair of non-conforming parts be carried out by third parties at the supplier's expense.

Customer complaints shall be resolved by the supplier at its own expense by immediately replacing the part or, where technically possible, by repairing it.

The customer is entitled to demand reimbursement from the supplier for all costs reasonably incurred by the customer in connection with the supplier's quality problems (including, but not limited to,



technical support hours, travel expenses, incoming delivery logistics costs, overhead costs, contractual penalties from the end customer, etc.).

For each justified notification of non-quality, the customer is entitled to an administrative fee, which has been set at CZK 750 for each complaint issued ("non-quality costs"). This fee does not apply to manufactured samples, test parts, and prototypes.

At the customer's request, the supplier shall send a representative to the customer or end user to resolve any quality issues related to deliveries. The costs and expenses associated with visiting the customer shall be borne by the supplier.

In cases where the supplier is unable to maintain the quality of its production in the long term or to implement effective corrective measures, the customer reserves the right to arrange for quality control at the supplier's premises through an external agency at the supplier's expense. The customer shall inform the supplier in writing of the request to introduce external support.

Supplier audits

The supplier is obliged to allow the customer or a third-party service provider designated by the customer to audit the supplier's compliance with the qualification requirements. The customer shall notify the supplier of the purpose of the audit in advance and take all necessary measures to avoid unduly disrupting the supplier's operations. The customer is obliged to comply with the supplier's applicable standards and guidelines when conducting the audit and ensure that the information obtained is treated confidentially.

The customer shall provide an audit report within the specified time frame after the completion of the supplier's audit and issue any formal requests for corrective action based on findings based on the facts established. The supplier shall respond within the specified time frame with a corrective action plan to eliminate non-conformities and a timetable for their completion, together with all supporting documentation.

Supplier evaluation

SOR regularly evaluates its suppliers on an annual basis using form F840-05. Each supplier is sent an evaluation for the previous year. In the case of a B or C rating, the supplier will be asked to take corrective action to improve the rating.

Quality improvement

The supplier must have a program for continuous improvement in quality, production, and production cost management. (CIP)

The supplier shall keep records of and clearly mark any customer property used in the supplier's production (molds, fixtures, etc.).



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Final provisions

This Supplier Quality Assurance Agreement replaces all previous versions concluded and signed between the supplier and the customer in the past.

All information and documentation relating to the purchased parts and other agreements are strictly confidential and may not be disclosed to third parties without the prior consent of SOR. Any disclosure shall be considered a serious breach of the mutual agreements.

For SOR Libchavy spol. s r.o.



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Ing. František Maňák Director
of Purchasing and Logistics