


Date	Edition	LENTEX S.A.	
21/05/2021	IV	SUPPLIER QUALITY MANUAL	




# LENTEX S.A.

# SUPPLIER'S MANUAL


EDITION IV

MAY 2021

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## INTRODUCTION

### SCOPE

This Manual has been created to assist our suppliers in understanding the purchasing expectations and quality requirements for products supplied to the LENTEX S.A. Nonwovens Division.

It communicates the operating principles, general expectations, requirements, and procedures of LENTEX S.A. and it is also a tool to assist LENTEX S.A. in complying with the ISO 9001:2015/ IATF 16949 requirements.

When circumstances dictate, the requirements of this Manual may be modified to comply with the new requirements that LENTEX must refer to.

The updated version of the Manual will be distributed to suppliers via e-mail.

### PURPOSE

LENTEX goal is to achieve **the highest quality products with zero defects**. Due to this aim LENTEX is seeking a perfect cooperation with its suppliers, meaning that suppliers share the same goal and make efforts to reach it by constant development as LENTEX does.

Through implementation and adherence to the standards stated herein, LENTEX S.A. looks forward to a long and mutually beneficial relationship with our suppliers while meeting „The highest quality with zero defects” goal.

### APPLICATION

Respect to the guidelines described in this manual is required for all LENTEX S.A. Nonwovens Division raw materials suppliers. All suppliers must meet all applicable requirements specified herein.

Acceptance of any and purchase order constitutes acceptance and commitment on behalf of the recipient to comply with this Manual’s content.


The Manual is provided as a supplement to, and does not replace or alter, any purchase agreement, the general purchase conditions or requirements included in applicable specifications and other contractual documents.

The Manual describes the minimum requirements for which the supplier has responsibility. However, system improvements that exceed the requirements specified within this manual are always encouraged and very welcomed.

### IMPLEMENTATION

Suppliers of raw materials to LENTEX S.A. Nonwovens Division are responsible for the development, documentation, implementation, and maintenance of a quality system at least ISO 9001:2015. Certification to current version of ISO 9001:2015 must be done by an accredited certification body.

Suppliers are recommended to become certified to the quality management system standard IATF 16949.

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## 1. LENTEX S.A. EXPECTATIONS

### 1.1. ENGINEERING / TECHNICAL SUPPORT

LENTEX S.A. is dedicated to the manufacture the highest quality products. In order for this objective to be achieved all suppliers should offer engineering and technical support to LENTEX S.A. when such support is requested.

Any new developments of products are appreciated and LENTEX S.A. express its will to take an active part in new products creation.

### 1.2. MANUFACTURE CAPABILITY / CAPACITY / LOCATION

Suppliers are expected to have the resources necessary (people, property, facilities, equipment, and materials) to supply the products required to accommodate LENTEX S.A.'s production schedule.

### 1.3. CONSISTENT QUALITY

Since highest quality products are required from suppliers to LENTEX S.A., any deviation from this will result in rejection and return of the incompatible product to the supplier with subsequent charges attached.

Payment by LENTEX S.A. shall not constitute acceptance of product quality. Even after acceptance of a delivery, LENTEX S.A. reserves the right to return any material that proves to be defective for full credit. Defective material shall be returned at the supplier's expense and account shall be debited accordingly.

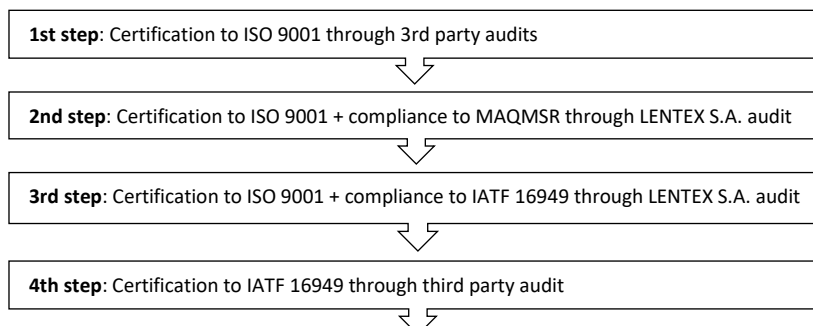
Additional charges for sorting, administrative fees and other related costs (extra transport, end customer charges, etc.) could also be added. In a situation when LENTEX S.A. decides to use the product despite its defects, LENTEX S.A. reserves the right to charge the supplier with selection costs and increased product oversight. In a situation when the goods are both impossible to return and to use, supplier will cover utilisation costs.

### 1.4. CONTINUOUS DEVELOPMENT


LENTEX S.A. encourages its suppliers to develop their Quality Management Systems.

Even if LENTEX S.A. accepts suppliers certified with ISO 9001, it prefers and awards suppliers (by qualification, re-qualification, evaluation and then placing orders) who exceeds ISO 9001 requirements.

LENTEX recommends suppliers to evolve accordingly to path below:



In case the supplier is willing to develop as above, LENTEX S.A. is open to offer its assistance.

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### **1.5. ON-TIME DELIVERY**

LENTEX S.A. requires all suppliers to ensure that 100% of deliveries are on agreed time with the appropriate agreed quantity and price. An unauthorized early or late deliveries and partial or excessive deliveries are unacceptable. The quantity sent to the order or issue may not differ from the specified quantity by more than 10%.

Any discrepancies regarding delivery date, quantity and price will affect monthly evaluation of supplier and therefore the annual evaluation as well.

If the production line is closed due to poor quality, delayed delivery or incorrect quantity in any shipment, the supplier will be responsible for all incurred costs, including shipment acceleration or fees from LENTEX S.A. customers.

### **1.6. MANAGEMENT COOPERATIVE ATTITUDE**

LENTEX S.A. insists that supplier's top management shares LENTEX S.A. aspiration to meet or even exceed LENTEX customers' quality expectations through continuous improvements.

It is also expected that top management gives its full support to the relationship that exists between companies and demonstrate flexibility in assisting LENTEX S.A. in achieving compliance with all Lentex customers' requirements.

The supplier is required to delegate a LENTEX S.A. contact person, who can be readily available to assist in solving problems relating to quality, delivery and other issues.

The both sides undertake to keep confidentiality and not disclose commercial and technical data that has been provided to them in connection with commercial relationships.

### **1.7. CODE OF ETHICS**

LENTEX S.A. requires from its suppliers to provide a code of ethics or to accept the code of ethics of LENTEX S.A.

LENTEX S.A. prohibits illegal payments, both directly and indirectly by third parties, and we expect our Suppliers to comply with the law on bribery and illegal payments. Suppliers must have policies and procedures in place to monitor and prevent corrupt practices.

LENTEX S.A. doesn't accept forced labour work, employing workers younger than 16 years old, any discrimination and harassment in all its forms, including that related to race, colour, gender, sexual preference, age, disability etc..

### **1.8. ENVIRONMENTAL MANAGEMENT SYSTEM**


The supplier should maintain an EMS (Environmental Management System) in accordance with EN ISO 14001 or have an Environmental Policy implemented, approved by the top management and communicated within the organization.

### **1.9. RIGHTS OF VERIFICATION OF PRODUCTS/PROCESSES**

LENTEX S.A. reserves the right to verify the products on the supplier's premises by their representatives and our customer and/or their representative. This can be done by different kinds of audits and the supplier will be notified in a timely fashion.

### **1.10. LEGAL REQUIREMENTS**

The Supplier agrees to comply with all legal provisions that may apply to it, including but not limited to those relating to health, safety and the environment in the countries of receipt, dispatch and destination.

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## 2. SUPPLIER SELECTION AND PERFORMANCE

### 2.1. SUPPLIER QUALIFICATION, EVALUATION, SELECTION AND MONITORING

LENTEX S.A. supply base consists of organizations supportive of LENTEX S.A. business needs. LENTEX S.A. uses controlled methods through which suppliers are qualified, evaluated, selected, developed and monitored.

#### 2.1.1. QUALIFICATION

##### NEW SUPPLIERS

New suppliers are evaluated via New Supplier's Chart. Pretending supplier is obliged to fill in LENTEX S.A. *Supplier Questionnaire* and accept financial background check by external financial consulting company if LENTEX S.A. decides to conduct it. Also, pretending supplier should provide all necessary documents regarding the safety of cooperation and products that LENTEX is asking for (i.e. registration documents, certificates etc.).

After being qualified, pretending supplier is added to *Qualified Suppliers List* as a „New supplier“.

##### QUALIFIED SUPPLIERS LIST

*Qualified Suppliers List* is based on the supplier's abilities to meet our clients' specific requirements and is a comprehensive evaluation of cooperation, including service satisfaction, quality indicators of delivered products, development potential of the supplier, risk analysis. The evaluation, called *re-qualification*, is done annually, after annual evaluation of supplier and risk analysis verification.

##### CRITERIA FOR SUPPLIER RE-QUALIFICATION FOR COOPERATION FOR CALENDAR YEAR ARE AS FOLLOWS:

Compatibility with LENTEX S.A. business strategy, complementarity of offer, price attractiveness, payment terms attractiveness, currency attractiveness, result of risk analysis, Quality Management Systems, Oeko-Tex/FSC/GRS certification etc., filled or not filled MAQMSR, negative impact of the supplier on automotive customers, previous year evaluation score.

On the basis of the results of supplier re-qualification process, the supplier is being admitted to production in LENTEX S.A. as:

**STRATEGIC SUPPLIER**

**PREFERRED SUPPLIER**


**COMMERCIAL SUPPLIER**

In connection with not acceptable result of the process, the supplier may not be admitted to production in LENTEX S.A.. The supplier will be informed about this fact by Purchasing Department.

#### 2.1.2. EVALUATION OF SUPPLIER

LENTEX S.A. evaluates suppliers' performance every month accordingly to criteria below:

**QMS:** quality management system development – quality management system supplier obtains

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**PPM:** complaints = quantity of claimed material/quantity of delivered material in month of delivery\*1 000 000

**Accidents/faults:** accidents at the customers of LENTEX S.A. due to the fault of supplier/defected product

**Alerts:** quantity of reported quality alerts to supplier

**Problem solving:** the speed and the quality of answers in case of any quality problem with product or service, reported as claim or quality alert, timely sending the require documents such as 8D report or Action Plan or corrective actions resulting from supplier assessment

**Service:** general satisfaction of Purchasing Department with the customers service. Includes factors as: speed of answering inquiries, customer approach, supervision over customers demand, timely sending required documentation, etc.

**Delivery on time:** quantity of delayed deliveries

SUPPLIER EVALUATION MATRIX


Parameter:	QMS	PPM	Accidents	Alerts	Problem solving	Service	Delivery on time
0 points	No QMS	150 000 or more PPM	4 and more accidents	4 and more alerts	No answer, problem unsolved	Poor service	Stop of production because of late delivery
1 point						Service with some difficulties (supplier needs to be rushed)	
3 points			3 accidents			Good service	Delay 24h-7 days
5 points	ISO 9001	100 000 - 149 000 PPM	2 accidents	3 alerts	Late answers above 24h, problem unsolved	Service above expectations (immediate responses, new solutions)	Repeated delays to 24h
8 points		50 000-99 999 PPM	1 accident				
10 points	ISO 9001+ OHSAS 18001, ISO 14001	10 000 – 49 999 PPM	0 accidents	2 alerts	Late answers above 24h, problem solved		1 delay to 24h
13 points	ISO 9001+ OekoTex, FSC, PEFC, GRS etc.	5 000 – 4 999 PPM		1 alert	Late answers within 24h, problem solved		
15 points	IATF 16949	1 000 – 4 999 PPM		0 alerts	Timely answers with 8D report and Action Plans, immediate problem solution		No delays
18 points		500 – 999 PPM					
20 points		1 – 499 PPM					
25 points		0 PPM					
Max. points to gain:	15	25	10	15	15	5	15

The maximum possible number of points to obtain is 100.

Supplier assessment is on the basis of received score:

90 – 100 points	A
80 – 89 points	B
0 – 79 points	C

The supplier assessment process is made in accordance to the LENTEX S.A. internal procedures and instructions.

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## **GENERAL RULES**

Supplier assessment is conducted by Purchasing Department every month. The assessment takes into consideration suppliers who realized at least one delivery to LENTEX S.A. in scored period of time.

As delivery is considered delivery to LENTEX S.A.

Supplier is informed about the monthly assessment result by e-mail. In case the score is decreased to B or C, supplier receives the document "Scorecard" where he must explain the reasons of the decrease and propose the suitable action plan to improve the performance (if he hasn't sent it yet).

## **ANNUAL ASSESSMENT**

At the end of the calendar year supplier receives an annual score which is an average on base of monthly assessment. The annual score is one of the criteria for re-qualification of supplier for next calendar year.

The result of annual assessment is also a base for choosing the suppliers that should added to supplier audit plan for next year.

### **2.1.3. SUPPLIER MONITORING**

Any claims that are reported by customers or other LENTEX S.A. departments concerning the quality of raw materials are recorded in LENTEX S.A. system of claims. Every month the LENTEX S.A Purchasing Department analyze information based on this data (eg. PPM and number of claims) and tracks suppliers who are unable to meet requirements.

The effects of these activities affects the supplier's result in his assessment and further cooperation with the supplier. To guarantee a constant high quality, the supplier undertakes to allow LENTEX S.A. or to a third party designated by LENTEX S.A. for access during work hours to production processes, quality control and documentation.

LENTEX S.A. has the right to determine by way of an audit whether the suppliers' quality assurance measures meet the requirements of LENTEX S.A.. The audit may be carried out as an audit of the system, process, product or in any other form.

## **3. QUALITY MANAGEMENT**

### **3.1. PRODUCT QUALITY**

#### **3.1.1. RESPONSIBILITY**

Suppliers are fully responsible for the quality of their products including goods from their sub-suppliers.

The suppliers are obliged to monitor their production process and their suppliers base to provide products that meet all LENTEX S.A. requirements and specifications as identified on the purchase order. The supplier make sure that products are free from defects.


#### **3.1.2. ZERO DEFECT POLICY**

One of the substantial aim of LENTEX S.A. is a manufacturing zero defect products. It directly means that LENTEX suppliers must provide the goods without any deviations, during all time of cooperation. Is required that suppliers control their products during production process and after it's finished. LENTEX S.A. suggests preparing control plans according to IATF 16949 standard.

The supplier is obliged to immediately inform LENTEX S.A. about any detected deviations.

In case the zero defect aim is not reached, the parties could agree a Corrective Plan for improvement the failed indicators ("PPM objectives") so that the zero defect aim is achieved as soon as possible.



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In case that the improvement can't be reached, LENTEX S.A. could decide to refrain from ordering the disputable product or on removal of the product from qualified products list.

### 3.1.3. MATERIAL SAFETY DATA SHEET

A material safety data sheet in accordance with current EU guideline must be sent to LENTEX S.A. before delivery, of any chemicals used in production processes is allowed.

### 3.1.4. REACH

The supplier undertakes to comply with REACH regulations concerning the offered materials and their specifications.

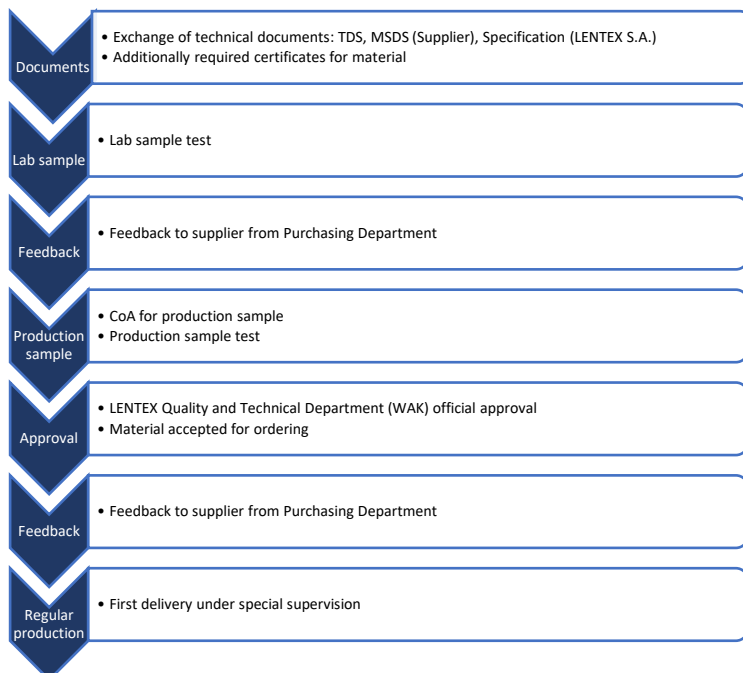
### 3.1.5. CONFLICT MINERALS

LENTEX S.A. is required to comply with existing and future requirements regarding the use of conflict minerals in its products. Therefore LENTEX S.A. suppliers are forbidden to deliver products containing conflict minerals and are asked to provide declarations of not using any conflict materials during their production.


## 3.2. APPROVAL OF NEW MATERIALS

### 3.2.1. APPROVAL OF NEW MATERIALS DEDICATED FOR NON-AUTOMOTIVE INDUSTRY PRODUCTS

The approval of new materials dedicated for non-automotive products is done during following steps:



LENTEX S.A. reserves the right to change the approval from non-automotive to automotive product in case if there is probability that the product may be used for automotive clients in the future.

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### 3.2.2. APPROVAL OF NEW MATERIALS FOR AUTOMOTIVE INDUSTRY PRODUCTS

LENTEX S.A. approves the new material for automotive industry on base of AIAG PPAP 4<sup>th</sup> edition. The raw materials purchased by LENTEX S.A. Nonwovens Division are defined as bulk materials in accordance to Appendix F of AIAG PPAP 4<sup>th</sup> edition.

#### 3.2.2.1. Approval of new materials for automotive industry products in case the supplier is not IATF 16949 certified

The obligatory documents for material are:

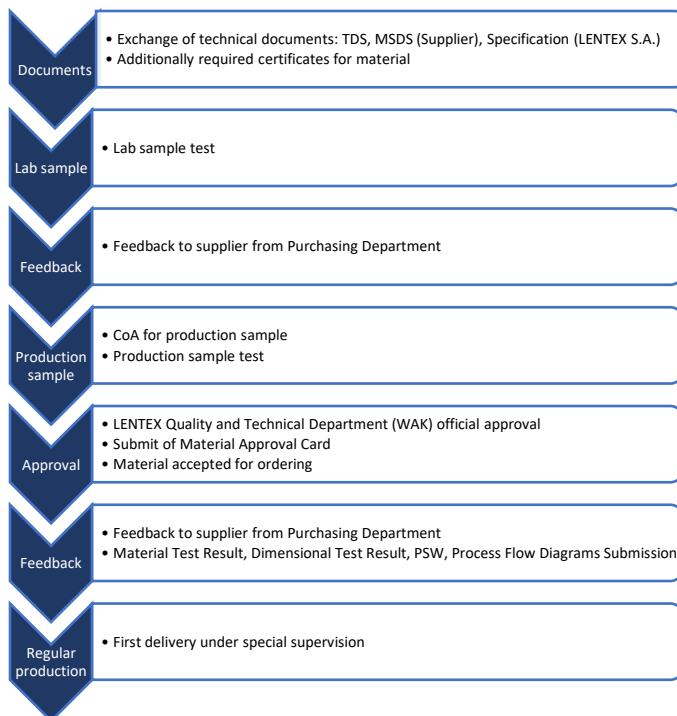
- a) *inspection report (CoA) for production sample*
- b) *dimensional test report*
- c) *material test report*
- d) *part submission warrant (PSW)*
- e) *process flow diagram*

Documents must be submitted after the successful trial of production sample by LENTEX S.A. and before the delivery of regular order.


LENTEX S.A. reserves a possibility to accept material through internal Material Approval Card under condition that the raw material provided by the supplier is in compliance with LENTEX S.A. specification and has been successfully qualified in laboratory. Raw materials approved only via Material Approval Card are regarded as less reliable while deciding on placing orders etc.

The suppliers are always encouraged to send the additional documentation (i.e. process FMEA, control plan, MSA) and implement processes that will be specified by LENTEX S.A.

The approval of new materials for automotive products while supplier is not certified according to IATF 16949 requirements is done during following steps:



LENTEX S.A. reserves the right to inspect delivered samples for conformance and return a signed PSW indicating whether it is approved to produce parts for serial production purposes.

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**3.2.2.2. Approval of new materials for automotive industry products in case the supplier is certified according to IATF 16949 requirements.**

The approval for bulk materials delivered by IATF certified suppliers shall proceed similarly to steps in 3.2.2.1 but with increased range of documents.

The obligatory documents for material are:

- a) *inspection report (CoA) for production sample*
- b) *dimensional test report*
- c) *material test report*
- d) *part submission warrant (PSW)*
- e) *process flow diagram*
- f) *control plan*
- g) *measurement system analysis*
- h) *PFMEA*

Documents must be submitted after the trial of production sample by LENTEX S.A. and before the delivery of regular order.

LENTEX S.A. reserves the right to inspect delivered samples for conformance and return a signed PSW indicating whether it is approved to produce parts for serial production purposes. This report will be submitted to the Supplier.

Whenever LENTEX S.A. is required to submit a PPAP/PPA to their customers, all supplier documentation must not be more than one year old. At that time, all PPAP's over one year old are to be updated without request of LENTEX S.A.

**3.3. PACKAGING AND SHIPPING REQUIREMENTS**

The supplier shall package, label and ship products according to the agreed packaging instruction and shipping agreement.


It is the Supplier's responsibility to ensure that the delivery of hazardous materials complies with the applicable law in the transport of dangerous substances. The supplier will in particular:

- categorize, classify and specify permitted means of transport,*
- identify mailing products or packaging,*
- contain containers,*
- use only tested, approved transport packaging that has been accepted in writing by LENTEX S.A.,*
- organize transport permits and ensure that transport documents are properly drafted,*
- submit safety data sheets, permits, etc. before the first delivery.*

The supplier is responsible for all damages resulting from failure to meet the requirements above.

Unless agreed otherwise (eg. specifications from LENTEX S.A.), the Supplier bears full responsibility for the design, selection and use of appropriate packaging. Supplier will not change the packaging without informing and receiving consent of the LENTEX S.A..

When selecting packaging, all products must be properly packed and ready for shipment, taking into account the nature of the products and the expected storage and methods of delivery. Although reusable packaging is preferred, a disposable packaging may be required in some cases. In this case, the disposable packaging must be suitable for recycling.

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## 4. PRODUCTION CONTROL

It is required that suppliers control their products during and after the production period. It is recommended to create inspection plans in accordance with the requirements of IATF 16949.

### 4.1. SPECIAL CHARACTERISTICS/ CRITICAL CHARACTERISTICS

SC and CC must be identified and communicated in the FMEA, control plans, process flow, work instructions and other related to production process documents to avoid any failures regarding SC and CC. They must be properly marked in all LENTEX S.A. specifications.

The supplier is responsible for proper understanding of the use of his product and identification of important properties where necessary. The supplier is also obliged to ensure that SC and CC data are explained, understood and verified by its sub-suppliers.

### 4.2. CONTINUOUS IMPROVEMENTS AND STATISTICAL PROCESS CONTROL (SPC)

Continuous improvement of the quality of products and processes is important to be the supplier for LENTEX S.A. The supplier should keep documented evidence of continuous improvement for the LENTEX S.A. representative's on-demand review.

LENTEX S.A. recommends that capacity tests and statistical process control are performed in accordance with the rules set out in the latest edition of the AIAG or VDA manuals. The AIAG SPC Process Statistical Review Manual describes the methodology to determine whether the production system consistently produces an efficient and compatible product. The supplier should conduct the SPC analysis of its manufacturing processes.

### 4.3. NON-CONFORMING PRODUCT CONTROL

#### 4.3.1. GENERAL RULES

If delivered products are found to be defective the supplier will be informed by the LENTEX SA Purchasing Department about this fact through notification, alert or complaint (depending on the impact of the defect).

Notifications/alerts/complaints may also be issued by LENTEX S.A. Purchasing Department for other reasons than delivery of defective products.

Some examples include, but are not limited to, for example:

*noncompliance with specification*

*repeated early or late delivery or delayed delivery without prior notice.*


*repeated shipments above / below*

*invalid items in delivery*

*unsuitable or incorrect containers / packaging received without permission from LENTEX S.A.*

*lack of shipping and / or certification documentation.*

*lack of timely response to complaints*

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The supplier is obliged to revert with immediate response indicating the reason and solution of reported problem. In case the complaint is issued supplier is bond to fill in 8D report tool which helps to trace the reason of complaint and indicate the solution.

Supplier is responsible for all costs caused by delivering defective goods. For products that can't be used in production process it is expected that LENTEX S.A. returns the goods and credit note or exchange of defective goods to good ones is issued. In situation when additional costs occur (sorting, delays, waste production, fees from customers etc.), supplier is responsible to cover these costs.

#### **4.3.2. PRODUCTION STOP**

The most serious problem is when the product/supplier process leads to the close of any LENTEX S.A. production line resulting in delay of any delivery to LENTEX S.A. customers.

Any condition that causes a line to be closed requires supplier's immediate action to eliminate this condition. The supplier is responsible for solving the problem including his plant, goods in transit, goods in LENTEX S.A. and end products of customers of LENTEX S.A., including security stocks.

#### **4.3.3. SORTING**

At the request of LENTEX S.A. the supplier or external company hired (can be directed by LENTEX S.A.) can send a team to sort the goods themselves at the expense of the supplier. If LENTEX S.A. must sort goods of the supplier in order to maintain the production delivered with zero defect, the Supplier will be charged with sorting costs. This load can be used both for raw materials and for ready products in which materials are used. If the defect of the supplier harms the final product of LENTEX S.A. it will be disposed and all fees will be borne by the supplier. All other related costs will be charged to the supplier, including any costs from the customer of LENTEX S.A.


#### **4.3.4. SOLUTION**

If the supplier is not able to implement a permanent corrective action to supply LENTEX S.A. high quality product and problems still appear, LENTEX S.A. makes decisions about the supplier's audit.

The LENTEX representative will monitor activities related to eliminating the problem. The audit is intended to prevent the delivery of any incompatible part to LENTEX S.A. and supporting the efforts of our suppliers to obtain a product free from defects.

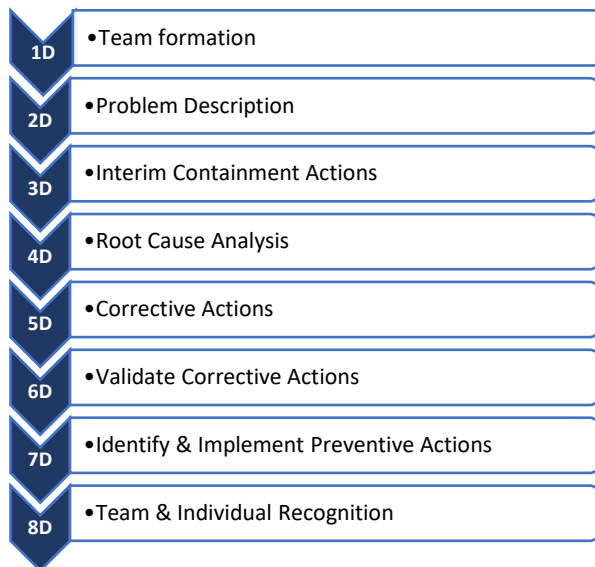
If the supplier detects a non-conforming product before shipping to LENTEX S.A. the supplier must immediately determine the size of the problem and take action to resolve the problem. If the suspect material has been sent, the supplier must notify and implement all necessary actions to prevent the use of material in the production of LENTEX S.A.

All modifications or repairs to the suspect material must be carried out in a controlled manner that ensures that the remanufactured or repaired product meets the specifications of LENTEX S.A. Written instructions should describe in detail the reworking or repair, re-inspection of the processed product and return of this product to normal production flow.

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#### 4.3.5. 8D REPORTS

For reported complaints LENTEX S.A. 8D Report template must be used. For the Root Cause Analysis, the Ishikawa or 5Why should be filled.



The following time schedule applies in case of processing 8D Report:

**Preliminary corrective measures (1D-3D):** within 48h after receipt

**Permanent corrective measures:** within 5 days after receipt (4D-5D), within 20 days after receipt (6D)

**Check of effectiveness (7D-8D):** within 30 days after receipt

The 8D Report template will follow LENTEX S.A. complaint, it will be sent to supplier via e-mail.

The first response with initial protection has to be completed and returned within 48 hours at the latest, unless otherwise agreed. The supplier is expected to perform all necessary actions to close 8D within 30 calendar days, unless otherwise agreed. The supplier will be notified if any aspect of the 8D report is not acceptable and will have to re-submit the updated report in a timely manner.


## 5. SAFETY

### 5.1. SUPPLIER REQUEST FOR CHANGE APPROVAL

No change on the product, process (including production location) or sub-supplier is allowed without written LENTEX S.A. approval. The supplier must send a notification specifying the change to LENTEX S.A., which will then investigate the possibility to implement the change and will inform the supplier when a decision has been taken. A re-validation of the part and process will be requested if the change is accepted. Non-automotive suppliers need to send official information with plan of change within 30 days.

As change, it means:

- a) change of technology of production
- b) change in used raw materials

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- c) change of the machine on which the raw material is produced*
- d) change of the location / plant in which the raw material is produced*
- e) change of technical data or specifications*
- f) change of the testing methods or test site*
- g) change of the manufacturer's data*
- h) change of the delivery process or the amount of raw material once delivered*

For IATF 16949 suppliers the notification and request has to comply with IATF 16949.

For non AITF 16949 certified suppliers for automotive in case of occurrence of points a) to d) the product must undergo approval process as for a new product.

## 5.2. PSB

The supplier is encouraged to designate in organization a person/persons responsible for product safety (the so-called Product Safety Representative (PSB)).

Such person / persons must undergo appropriate training. At least one senior management must undergo product safety and legal responsibility training, which will be carried out by an external company.

### The responsibilities of PSB include:

*Cooperation, development and prioritization in order to eliminate or avoid incompatibilities in terms of product safety at the stage of its production (prevention of defects)*

*Cooperation or initiation and examination of safety ranges in the FMEA project and processes (Analysis of causes and effects of defects)*


*Cooperation in the field of "Extracting applications" when placing the product on the market, to avoid failure in terms of product safety during production, assembly and control processes*

*Developing the "Extracting conclusions" checklist to examine projects and processes from the point of view of product safety*

*Conduct or arrange regular visits to the production and product of the current series so as to guarantee the safety of the product (including the anticipation of improper use), as well as implement and observe (immediate) actions in case of significant deviations. 6. Evaluation of the possibility and frequency of production stop in the case of defects 7. In the event of non-compliance, implement an immediate risk mitigation plan and check its effectiveness. The effectiveness of actions must be confirmed in writing by PSB - the Supplier*

*Communication (admission) takes place by a person in a managerial position ensuring the quality of the customer (ensuring the quality of purchased parts or ensuring the quality of the product), including the transfer of all details*

*PSB ensures the quality of information (data unambiguity in the case of defects, limitations, stopping capabilities, etc.), and confidentiality of information*

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### 5.3. RISK ANALYSIS

#### SUB-SUPPLIERS

The supplier must have a documented process of obtaining raw materials for all its sub-suppliers who have an impact on the customer's requirements. The process of obtaining raw materials must include a risk analysis that takes into account all available past performance data as well as a general risk analysis (goods, geography, financial stability, technology, supply interruptions, production capacity, etc.) of sub-suppliers. The risk analysis must also include an assessment of the quality management systems of sub-suppliers.

#### RISK MANAGEMENT - CONTINGENCY PLANS

The supplier is obliged to maintain a risk management system to protect the delivery of LENTEX S.A. products in an emergency, and this system must ensure:

*maximum protection for employees and assets*

*quick response to critical events or business disruptions*

*immediate repair of critical business processes and return to normal operation*

*reduction of the ability to withstand critical events through precise preventive measures and training*

The both sides undertake to continually identify and mitigate possible risks in the interests of both sides, and will immediately inform about the risk by providing sufficient details to enable the other side to eliminate and / or mitigate the risk.

Contingency plans must be implemented to guarantee the continuity of timely deliveries. These plans must include at least:

*natural disasters (eg fires, floods)*

*labor shortage*

*IT / computer failures*

*media outages*

*defective tools or machines*

*delay in raw materials deliveries*

### 5.4. PRODUCT STORING AND TRACEABILITY

All products must be stored in such a way that they are protected against loss, theft, damage and deterioration of properties.


Products that require special storage, handling and transport must be labelled accordingly. Appropriate storage / handling or transport instructions must be submitted to the LENTEX S.A. Purchasing Department during the negotiation process, in specification of the Product, in MSDS.

All suppliers to LENTEX S.A. must have an identification system that distinguishes one lot/batch/part from another when shipping finished product.

Each lot/batch/part of material should be clearly identified on the product (where applicable) according to the part drawing or as agreed if not specified on the drawing, and on the product packaging.

The traceability system must comply with the FIFO (First In – First Out) principles for incoming and outgoing material.



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The supplier is responsible for controlling / tracking the actual configuration of the material or parts up to approved engineering documents and any changes to ensure that the final product meets certain functional and physical requirements consistent with the contract. In addition, the supplier must have a reliable system that ensures (on demand) tracking of batches or parts up to the stock of raw material used for all materials sent to LENTEX S.A. This requirement also applies to all sub-suppliers.

#### **5.5. INCOMING GOODS CONTROL**

The quality of the sub-suppliers products must be ensured by appropriate means of measurement. They must include checks on incoming goods by the Supplier, including documentation of their results and deliveries with certificates of compliance and performance certificates of sub-suppliers. Products containing suspicious substances that are forbidden in accordance with the current GADSL ([www.gadsl.org](http://www.gadsl.org)) are not acceptable.

#### **5.6. NONDISCLOSURE AGREEMENT**

The parties undertake to keep confidentiality and not disclose commercial and technical data that has been provided to them in connection with commercial relationships.

#### **5.7. ARCHIVING REQUIREMENTS**

Suppliers of LENTEX S.A. keep the quality documentation, which will be available on demand. LENTEX S.A. requires the storage of documentation for the duration of the project and for a maximum of additional 15 years, unless otherwise specified. The supplier should also keep records of product incompatibilities in order to analyze trends and identify problems. This requirement also applies to all sub-suppliers.