Shaping concepts. Forming

Management Policy

for Suppliers

Requirements for the Supplier's Management System

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2	Section 3.1.1 (ISO/TS 16949) and Section 3.4.8 (DIN EN 10204) updated	B. Ullrich	April 8, 2005
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6	Section 3.1.2 added Section 3.2.1 supplemented Section 3.5.3 added Section 3.9 added Section 3.9.1 added Section 3.9.3 added	B. Ullrich	11/18/13
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9	IATF / FQ adjustments	D. Renzing	August 11,
10	Sustainability Adjustments (Environment, Occupational Safety, Social Responsibility) Item: Temporary Changes / Exemption Added Item: Continuous improvements added, PPM units,	M. Frühaufová	August 6, 2018
11	Logistics Requirements, Online Management, PSCR	M. Frühaufová	12/16/20
12	Flame resistance criteria added to GB 8410 ISO 27001 and TISAX certification requirements added	S. Fikrle	May 20, 2022
13	Update to flat rate for LFT complaints / sorting, etc.	S. Fikrle	June 1, 2024
14	Added TACTO survey management; added PPM targets via product groups CSR requirements—rate adjusted; SRQ requirements added Added EUDR and PPWR requirements; added cost rates for logistical complaints and responsibility for procuring reusable containers.	S. Fikrle	August 31, 2026

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Introduction

FOREWORD

IDEAL Automotive aims to meet the highest expectations of customers and consumers through consistent quality management. In doing so, the company emphasizes the important role suppliers play in achieving these goals.

This management policy describes the requirements for ensuring the quality of purchased parts and materials by suppliers to the IDEAL Automotive Group.

IDEAL Automotive promotes and fosters teamwork with its suppliers. Clearly defining requirements and establishing communication at all levels help build a working relationship that encourages the open exchange of ideas and the discussion of problems.

IDEAL Automotive expects its suppliers in the automotive sector to align their quality management systems with the requirements of the international quality standard IATF 16949, as currently in effect. A quality management system compliant with ISO 9001, as currently in effect, is a minimum requirement for suppliers.

This approach enables suppliers to meet legal and safety requirements and to reliably supply IDEAL Automotive with defect-free parts. IDEAL Automotive has created a supplier portal to provide suppliers with a wide range of information, standards, and forms. This supplier portal can be accessed via the following link:

https://www.ideal-automotive.com/lieferantenportal/

Continuous improvement is one of the fundamental principles of IDEAL Automotive's quality policy. It is crucial to strengthen our market position. To achieve this, the principles of continuous improvement must be implemented throughout the entire supply chain.

SCOPE

This management policy is an integral part of every inquiry and order and applies to all suppliers of purchased parts and materials that are incorporated into IDEAL Automotive Group products or sold as IDEAL Automotive Group products, with the exception of samples and prototype parts.

Suppliers must ensure that their own suppliers also comply with the Management Policy. Since suppliers have a significant impact on IDEAL Automotive's performance, the customer requirements of vehicle manufacturers are applied to them in addition to the Management Policy.

The scope of application covers all facilities of the IDEAL Automotive Group. This management policy generally applies to all purchased parts (including so-called OEM standard parts). Special agreements regarding this

Agreements regarding this policy may only be made with quality managers of the IDEAL Automotive Group and must be in writing. The management policy is available in German and English. In case of doubt, the German version shall prevail.

DOCUMENTS

RELATED DOCUMENTS

The requirements of the standards and guidelines listed below, as per their most recent valid editions, must be taken into account, even if they are not explained in detail in this management guideline:

-IATF 16949

- VDA Series

- QS 9000 Series

- ISO 9001

- ISO 14001

- ISO 26000

- ISO 27001 (TISAX)

- ISO 45001

- ISO 50001

- DIN EN 10204

- UVV

- FMVSS 302

- GB 8410

- EUDR

- PPWR

- Customer-specific requirements—refer to the current edition as specified by the respective OEM.

- Product and Approval Procedure Guideline B016

- Additional IDEAL Automotive documents and/or documents required by other legislative mandates for successful collaboration on the supplier portal, and, or, through survey management via the TACTO web environment.

DESCRIPTION

GENERAL

MANAGEMENT SYSTEM

The supplier is fully responsible for the products, processes, and services it provides. To fulfill this responsibility, the supplier must demonstrate that it has a quality management system certified to at least the DIN EN ISO 9001 standard.

However, the goal must be to pursue IATF 16949 certification and to demonstrate compliance through a certificate. The supplier should go through the following development process:

a) ISO 9001 certification and assessment of compliance with other quality management system requirements specified by IDEAL Automotive (MAQMSR – Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers)

b) ISO 9001 certification and assessment of compliance with IATF 16949 through “second-party” audits

c) Certification to IATF 16949 through “third-party” audits

In particular, measures must be developed to ensure continuous improvement and a “zero-defect delivery quality.”

The management guidelines and specifications issued by IDEAL Automotive are binding on the supplier.

If the supplier determines that the design specified in the technical documentation or the prescribed test procedures can be replaced by more suitable, more economical, and/or more effective alternatives, IDEAL Automotive expects the supplier to submit corresponding proposals.

QUALITY OBJECTIVES / CONTINUOUS IMPROVEMENT

Quality objectives are zero defects through consistent quality planning and production monitoring, with a focus on defect prevention and continuous improvement. In this context, the Acceptable Quality Limit (AQL) is 0. This also applies to standard parts and small parts. Relevant standards for acceptance testing (e.g., DIN ISO 2859, DIN ISO 3951, ...) do not apply.

Any deviations from these requirements require the written approval of IDEAL Automotive’s quality managers. In the interest of continuously improving products and processes, the supplier must establish and monitor measurable targets (e.g., reduction of scrap, reduction of process variation, improvement of process capabilities, etc.).

SPECIFICATIONS FOR SUPPLIERS

IDEAL Automotive reserves the right to establish specifications for purchased products with suppliers in order to define product-specific quality responsibilities.

Any deviations or changes to the supplier specifications requested by the supplier must be confirmed in writing by the IDEAL Automotive quality manager.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

IDEAL Automotive sets high standards for itself with regard to environmental and social responsibility—responsibilities we bear as a company toward our customers, employees, and society as a whole. We also hold our partners and suppliers to these same standards. Every participant in the value chain—from raw materials to the end user—must be aware of the impact their actions have on people and the environment. Environmental protection and social issues must be addressed in accordance with the precautionary principle. We expect our suppliers to take a proactive stance in this regard. IDEAL Automotive considers the limits set forth in applicable laws and regulations at the national and transnational levels to be minimum requirements. Suppliers are responsible for adapting their activities accordingly. IDEAL Automotive is available to provide guidance in cases of uncertainty.

Resource Consumption and Waste Generation – SRQ Ratio

IDEAL Automotive expects all suppliers to adopt a sustainable approach, continuously improve production processes, and achieve long-term reductions in energy, water, and material consumption, as well as a reduction in waste generation.

IDEAL Automotive relies on a sustainable value chain to remain future-proof. This includes the efficient use of raw materials and, where possible, recycling, as well as the careful selection of resources and materials based on current sustainability standards. The following approaches should be given priority:

- Use of Recycled Materials, SRQ Ratio
- Recyclability of the products supplied
- Use of renewable raw materials
- Lightweight construction and reduced resource consumption
- Materials produced with lower energy consumption and reduced greenhouse gas emissions

The processes required to manufacture the parts, as well as the materials used for this purpose, must comply with the latest scientific and technical standards, as well as the relevant regulations and

Comply with laws. Suppliers must have the necessary permits for the procurement and use of natural resources.

Suppliers are required to prioritize the reduction of environmental impact in the procurement, processing, and transportation of materials.

Definition of Secondary Raw Material Ratio (SRQ)

The Secondary Raw Material Ratio is defined as:

The proportion of recycled or reused materials relative to the total mass or total value of the raw materials used in a product or component.

The supplier commits to promoting sustainability by systematically increasing the proportion of secondary raw materials (recycled materials) in the supply chain. The goal is to improve resource efficiency and reduce environmental impact.

Requirements for Suppliers

Suppliers are required to:

disclose the percentage of secondary raw materials in their products or materials.

meet at least a defined minimum threshold for secondary raw materials, provided this is technically and economically feasible (e.g., 20% recycled content for plastics).

Include an SRQ declaration with every quote. Regularly report on measures to increase the SRQ (e.g., recycling processes).

Documentation and Auditing

Suppliers must provide evidence of SRQ through certificates or product data sheets.

The use of secondary materials may be verified as part of supplier audits.

Violations of SRQ requirements may result in reevaluation or disqualification.

Exceptions are permitted only if:

technical requirements do not permit recycled materials (e.g., visible or colored parts) and/or no economically viable alternative is available.

EUDR

Under the EU Deforestation Regulation (EUDR), and as a company operating in the European Union, IDEAL Automotive is legally obligated to ensure that all imported goods do not contribute to deforestation or forest degradation and comply with the laws of the country of origin.

This applies in particular to products listed in the annex to the regulation, such as soy, palm oil, beef products, coffee, cocoa, wood, and other agricultural goods.

Suppliers are required to provide IDEAL Automotive with all information and data essential for compliance with these due diligence obligations, and to do so under their full responsibility.

This includes, among other things, evidence regarding the supply chain, the origin of raw materials through DDS reports, and, where applicable, certificates confirming that the products are deforestation-free.

For this purpose, Ideal Automotive uses the Tacto web platform, through which such inquiries are conducted, and full cooperation from suppliers is expected.

PPWR

The EU Packaging and Packaging Waste Regulation (PPWR) establishes uniform rules for the design, recycling, and placing on the market of packaging throughout the European Union. It will enter into force on August 12, 2026, with the following key requirements:

PFAS Ban: Restrictions on the use of per- and polyfluoroalkyl substances (PFAS) in food packaging. Declaration of Conformity: Manufacturers and importers must submit technical documentation and an EU declaration of conformity for packaging. EPR Obligations: The rules on extended producer responsibility and record-keeping obligations are clarified.

For the automotive industry and its supply chain, the PPWR Regulation represents a fundamental transformation, as the automotive industry uses an enormous amount of transport and industrial packaging.

The application of the PPWR in the automotive industry focuses on the following key areas:

1. Industrial and transport packaging (focus: KLT containers, pallets, blister packaging, specialized foam inserts, or wooden crates). Reusability targets (starting in 2030): The industry must make a massive shift toward reusable solutions. Starting in 2030, at least 40% of transport packaging must be reusable; by 2040, this figure must reach up to 70%. Limiting empty space: Specially shaped inserts and custom-made products must not exceed a 50% empty space ratio within the packaging.

2. Mandatory recycling content in plastic packaging, whereby the proportion of recycled material (starting in 2030) must consist of at least 35% recycled plastic from municipal or industrial waste (post-consumer material). By 2040, this requirement will increase to 65%.

3. Digital passports and declarations of conformity (DoC): A signed declaration of conformity with technical documentation is required for every type of packaging placed on the market in the EU. This must be submitted via the Tacto web portal. Ban on Unsubstantiated Environmental Claims: Claims regarding “recycled plastic” or “biodegradability” of packaging materials must be certified in accordance with EU standards. This is achieved through digital product passports (DPP), which track the composition and life cycle of the packaging.

4. Digital Labeling Requirements and PPWR Compliance

1. Regulatory Compliance: The supplier guarantees that all delivered packaging, packaging materials, and packaged products fully comply with the applicable legal provisions of the EU Packaging and Packaging Waste Regulation (PPWR).

2. Digital Labeling Requirement: The supplier is required to provide the information mandated by

regulations (specifically, manufacturer details, material composition, recyclability, and disposal instructions) via a dynamic QR code affixed to the packaging. The QR code must comply with the current GS1 Digital Link Standard.

3. Data Availability and Timeliness: The supplier shall ensure that the designated landing page is free of advertising, complies with data protection regulations (GDPR), and remains permanently accessible for a period of at least 10 years from the date of delivery. The supplier must immediately update any changes to packaging data or material compositions digitally prior to shipment of the goods.

4. Legal Consequences of Violations: Incomplete, incorrect, or missing digital labeling, as well as the failure of the digital information page to function, shall be considered a material defect. In such cases, IDEAL Automotive is entitled to refuse acceptance of the goods, to demand rectification (e.g., by covering the existing label or re-labeling) at the supplier's expense, or to rescind the contract. The supplier shall indemnify the purchaser against all fines and claims by third parties resulting from defective digital labeling.

Climate Protection

Together with customers and suppliers, IDEAL Automotive is working toward climate neutrality in the automotive industry. The primary goal is to reduce greenhouse gas emissions. These include carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N2O), as well as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3). We expect our suppliers to actively implement climate protection measures within their companies. We expect them to gradually develop a greenhouse gas inventory (also known as a corporate carbon footprint), implement energy and CO2 reduction measures, and set corresponding reduction targets. A shift toward renewable energy is expressly encouraged.

Hazardous Materials

For initial deliveries and changes to deliveries of hazardous materials and auxiliary materials (oils, greases, adhesives, base materials for surface coatings, additives for dyes, and similar items), an EC Safety Data Sheet in accordance with EU Regulation 2015/830 must be included with the shipment.

The same applies—written notification and complete documentation—to the delivery of substances and parts that release hazardous substances under certain conditions, as well as to substances that, based on experience, can be disposed of only with considerable difficulty. The documentation should specify the type of hazard and the quantity, and should also include a note regarding the necessary training for the employees handling these materials.

In the case of hazardous materials, IDEAL Automotive expects the relevant suppliers to have the necessary permits and infrastructure to store, process, transport, and recycle both hazardous and non-hazardous goods and waste. This also includes protective clothing and safety markings. Where possible, the use of hazardous materials should be avoided.

Human Rights and Working Conditions

For IDEAL Automotive, it is of great importance that business activities fulfill social responsibility toward its own employees and society. This applies to both IDEAL Automotive and its suppliers. The protection of human rights and the associated corporate due diligence are a top priority. Child labor is prohibited throughout the entire production chain. IDEAL Automotive has a zero-tolerance policy toward slave or prison labor and any other form of forced labor.

No Discrimination

IDEAL Automotive does not tolerate discrimination based on race, religion, ancestry, nationality, age, disability, marital status, sexual orientation, political affiliation, union membership or similar factors, gender, or veteran status.

Occupational Safety and Health

Suppliers must comply at all times with applicable laws and regulations regarding working hours, wages, and benefits. All suppliers must ensure that their employees understand and agree to the terms of their employment.

All employees (including suppliers and subcontractors) must be able to exercise the right to organize and engage in collective bargaining.

Suppliers ensure a clean and safe workplace and also make sure that the working conditions and safety of subcontractors' employees are maintained and improved. Employability is also ensured through training and continuing education.

Suppliers agree to ensure occupational safety (e.g., personal protective equipment) and health protection (e.g., hazardous substance management) in the workplace, as well as to comply with at least all applicable legal requirements and guidelines in this regard.

Information Security and Data Protection

All suppliers agree to comply with the VDA-TISAX and ISO 27001 requirements regarding information security, or to ensure a minimum level of information security, depending on the risk and classification of the product or service provided.

IDEAL Automotive reserves the right to verify the above-mentioned information as part of an audit at the supplier's premises.

HEAVY METAL BAN—EU AUTOMOTIVE DIRECTIVE (2000/53/EC)

The EU directive prohibits the use of cadmium and restricts the use of lead, mercury, and chromium (VI) in vehicles (passenger cars and commercial vehicles up to 3.5 metric tons) placed on the market after July 1, 2003. The final provisions will be established through transposition into national law. This applies to all vehicles—both the current product range and all new models—that are placed on the market after July 1, 2003.

It should be noted that not only must all newly developed components meet these requirements, but so must components for which type approval has already been granted and for which a sample has been submitted. Replacement parts for vehicles that are no longer placed on the market after July 2, 2003, are not affected.

As our supplier, you are responsible for ensuring that the raw materials and parts you supply meet the requirements of the EU End-of-Life Vehicles Directives.

SUPPLIER QUALIFICATION

SUPPLIER SELECTION AND APPROVAL

IDEAL Automotive maintains a list of suppliers who have demonstrated their capabilities in the past and thus meet our expectations. All production materials and parts are purchased exclusively from suppliers on the list of approved suppliers.

New suppliers and new production sites may be added to the list of approved suppliers if the following criteria are met:

- A valid certificate in accordance with at least ISO 9001, in its currently valid version
- The evaluation conducted by IDEAL Automotive Purchasing is positive, and
- A successful supplier audit and, if necessary, a potential analysis in accordance with VDA 6.3

IDEAL Automotive expects its suppliers to have a functioning environmental management system in place and requires them to implement an appropriate environmental management system.

SUPPLIER AUDIT

Suppliers will be audited again if circumstances require it. The type of audit depends on the nature of the deficiencies.

If necessary, IDEAL Automotive will inspect its suppliers' processes. The supplier shall, upon prior appointment, allow IDEAL Automotive to inspect the manufacturing facility and review the necessary documentation.

To verify quality capability and in the event of quality issues, IDEAL Automotive may conduct a "system" audit at the supplier's facility in accordance with IATF 16949, or an IDEAL Automotive-specific audit or one in accordance with VDA Volume 6, Part 3, a self-audit based on Formula Q capability, or, if necessary, a technical inspection at the supplier's facility.

The supplier/service provider must grant both IDEAL Automotive and IDEAL Automotive's customers the right to inspect the delivered products, processes, and services at the supplier's premises to ensure they meet the relevant specific requirements.

The findings obtained during audits and visits are treated confidentially and are not disclosed to third parties.

Reasons for conducting a supplier audit may include:

- Awarding a contract to a new IDEAL Automotive supplier.
- The introduction of new products by an existing supplier.

- Process-related changes to facilities, manufacturing sites (organization), or the quality system occur (the supplier is required to report such changes).
- If the quality level of the delivered products is consistently or repeatedly substandard.

IDEAL Automotive will conduct a supplier visit (technical inspection) within 24 hours of receiving written notice in the event of a repeat complaint, significant customer dissatisfaction, or an anticipated production or delivery disruption.

If you have any questions, the relevant IDEAL Automotive departments are available to provide support and assistance. However, responsibility for product quality remains with the supplier.

SELF-AUDIT

The supplier must conduct an internal self-audit/process audit, including a product audit in accordance with VDA 6.3/VDA 6.5, at least once a year (with a maximum validity period of 12 months) and submit the results to IDEAL Automotive upon request. This is implemented via a dedicated survey management system in the TACTO web environment, where the supplier is required to follow the instructions in the corresponding survey and upload the results accordingly. The audit must be conducted by a trained VDA 6.3 / VDA 6.5 auditor.

The supplier must conduct the customer-specific audit at least once a year and make the results

make the results of the audit available via the survey management feature in the TACTO web environment:

- Suppliers that provide products to the VW Group through IDEAL Automotive must have a self-audit conducted based on the Formula Q Capability (in its currently valid version) by a certified VDA 6.3 auditor with an auditor card (or, alternatively, a certified EOQ auditor with additional VDA 6.3 training). Further information on the self-audit according to the Formula Q Capability can be found in Appendix No. 1.
- Suppliers that provide products for Volvo through IDEAL Automotive must conduct an MSA (Manufacturing Site Assessment) and an LDA (Lean Deployment Assessment) self-audit.
- Suppliers that supply products for GM through IDEAL Automotive must undergo a “BIQS Supplier Assessment” based on GM 1927-30.
- Suppliers who supply products for BMW through IDEAL Automotive must undergo a “BMW Requalification—
  "Product and Process Management" self-audit conducted in accordance with GS 90018.

ONLINE MANAGEMENT

Online management refers to documenting activities, measures, and other tasks by sharing objective evidence (videos, photos, etc.) via online communication with the customer. For communication via online management, the supplier must use Skype for Business or MS Teams.

SUPPLIER DEVELOPMENT

IDEAL Automotive is helping its suppliers work toward IATF 16949 certification in accordance with the current version of the standard. To this end, IDEAL Automotive is committed to supporting its suppliers by providing the necessary information and clearly defining expectations, as well as by promoting the exchange of knowledge and experience.

To meet IDEAL Automotive's requirements, the supplier's quality management system must be geared toward error prevention rather than the detection of defects. Process or product characteristics must be selected in such a way as to prevent the production of nonconforming products. If risks or deviations have been identified through methods such as FMEA or capability studies, appropriate defect prevention methods must be implemented to minimize or prevent these risks during the planning of processes, equipment, and tools. These defect prevention methods must also be applied during problem-solving.

Employees are considered the suppliers' most important resource. IDEAL Automotive therefore requires its suppliers to provide consistent training for their employees and to motivate them to promote continuous improvement.

SUPPLIER EVALUATION SYSTEM

A fundamental requirement for management systems is the pursuit of a "zero-defect strategy."

Supplier evaluations are conducted twice a year. The results of the evaluation are communicated to the supplier in writing. If a supplier receives a B or C rating, they must define appropriate corrective actions and submit them to IDEAL Automotive's Procurement and Supplier Development department.

The entire supplier evaluation system is designed to monitor and improve suppliers' quality performance. Quality performance is taken into account as a decision-making criterion when awarding new contracts.

The evaluation criteria that result in an A, B, or C rating are as follows:

- Series Performance Metrics (Frequency of Complaints, PPM, Incidents)
- Logistics performance (on-time delivery, quantity accuracy, frequency of special deliveries)
- General performance (collaboration with procurement, collaboration with quality management, certifications, audits).

An up-to-date description of the supplier evaluation process is available on the IDEAL Automotive Supplier Portal.

Any deviations regarding logistics services must be agreed upon in writing with the responsible IDEAL Automotive dispatcher. Special deliveries must be noted as such on the shipping documents.

The supplier agrees to monitor the trends in its key performance indicators on a timely basis and to ensure that they are consistent with its targets and internal records. Any discrepancies, as well as any special customer status (IATF 16949), must be reported in writing to the responsible department without delay.

SUPPLIER PPM AGREEMENT

The supplier and IDEAL Automotive agree on the following PPM limits for deliveries to IDEAL Automotive plants in the context of series production. On this basis, the supplier shall implement a process to achieve and reduce the PPM limits.

Mass Production
> PPM Agreement between IA and Supplier
= PPM Agreement between IA and Supplier
< PPM Agreement between IA and Supplier

- Yellow—The supplier is implementing an action plan to reach the green zone. This plan is coordinated with the IDEAL Automotive recipient plant.
- Red - In addition to the measures outlined in the yellow section, the supplier must implement the appropriate measures for the affected scope of delivery to protect IDEAL Automotive from non-conforming deliveries.

All deliveries are included in the calculation of the PPM rate. Calculation formula:

$$PPM = \frac{\text{Evaluated, defective units; units}}{\text{delivered}} * 1{,}000{,}000$$

UNITS FOR PPM CALCULATION

ICO (Intercompany):

Sheet material = [m²]

Plastic parts = [pieces]

Granules [kg] Baled

material [kg]

Suppliers:

Plastic and metal parts, dampers, etc. = [pieces] Sheet goods =

[m²]

Yarn, adhesive, polyurethane, powder, granules [kg] Mesh

boxes, pallets, interlayers, labels [pieces]

The PPM target agreement must be established annually. Ideal Automotive distributes the target values to suppliers annually via the download center in the supplier portal, with the option to raise objections.

Download Center - IDEAL Automotive GmbH

Distribution and acceptance take place in the form of a notification regarding a new release via survey management in the TACTO web environment. The PPM targets are defined with regard to the following product groups, by material type and according to production processes:

Komodität
Metall-teile
Sonstige Teile / Materialien
Sonstige Chemikalien
Träger
PP-Granulat
PE-Granulat
TPO-Granulat
Masterbatch
PE-Pulver
Einfaßband
PP-Trägerplatten
PU-Trägerplatten
Holz-Trägerplatten
Sonstige-Trägerplatten
PP-Garne
PA-Garne
Sonstige Garne
PP-Faser
Recycling-Faser
Sonstige-Faser
Tuft
Spritzgussteile
Sonstige-Rollenware
Recycling-Granulat

ORDER DOCUMENTATION

ORDER AND TECHNICAL DOCUMENTATION

The supplier will receive technical documentation with the initial order from IDEAL Automotive. The supplier must ensure that, if the documentation associated with the order (e.g., CAD data, specifications, testing instructions, etc.) is not available, it is requested in writing from the relevant purchasing department at IDEAL Automotive.

The supplier uses an internal distribution system to ensure that all relevant departments always have access to the most recent documents provided by IDEAL Automotive. Invalid or outdated documents must be destroyed or returned to IDEAL Automotive.

If the technical documentation specifies sources of supply or manufacturer-specific material designations and the supplier wishes to use others, written approval must be obtained through IDEAL Automotive Project Management.

CONTRACT REVIEW

The supplier shall verify the manufacturability of the product based on the technical documentation provided to it. By accepting the contract, the supplier confirms the manufacturability and assumes full responsibility for the quality of the product. Deviations from the requirements are permitted only with the written consent of IDEAL Automotive and require a subsequent amendment to the order documentation.

DATA PROTECTION

The supplier maintains a system that ensures that the technical documentation, information, and other findings provided by IDEAL Automotive cannot be disclosed to third parties and that the GDPR is complied with—for more information, see the **section "Information Security and Data Protection"** above

QUALITY PLANNING

The planning results are presented, in particular, where applicable, in the form of

- a schedule and milestone plan
- an FMEA
- process flowcharts, process layouts, production control plans, pre-series and series
- test and manufacturing plans, as well as test and work instructions
- Requirements for production facilities to document product and process characteristics.

PRODUCTION CONTROL PLANS

The supplier agrees to plan its quality management activities.

An important phase of quality planning is the development of a production control plan. The production control plan describes the system for inspecting parts and processes. In addition, instructions for process monitoring and maintenance schedules should be defined and consistently followed.

A production control plan describes the required actions at each stage of the manufacturing process, including incoming inspection, in-process inspection, and final inspection, as well as all periodic inspections to confirm that all processes are under control. Periodic inspections include, for example, functional tests, reliability tests, and service life tests in accordance with technical specifications and product requirements (product audit, requalification). Production control plans must comply with the requirements of IATF 16949.

The production control plan is required throughout a product's entire life cycle, i.e., during the prototype, pre-production, and mass production phases. The supplier must provide the production control plan along with the PPAP documentation to confirm complete process control and compliance with specifications, particularly the special characteristics.

The production control plan includes all special characteristics from the assembly or component drawings, as well as the special process characteristics derived from the process FMEA.

The production control plan must be implemented in accordance with the AIAG APQP Reference Manual or VDA Volume 4

SCHEDULE AND MILESTONE PLAN

The supplier shall prepare a schedule and milestone plan for parts to be newly developed prior to the award of the order. Once agreed upon with IDEAL Automotive, this plan is binding and forms an integral part of the contract.

The schedule and milestone plan must include, where applicable, at least the following key data:

- Preparation of FMEA's
- Development of inspection plans
- Provision of test equipment
- Tooling production dates
- Process run
- Sample parts not covered by the tooling (if any)
- First parts produced using the new tooling
- Supplier correction phase
- Date of initial sampling
- Production and system filling
- Machine, process, and measurement equipment capability

QUALITY MEETINGS

The quality meeting serves both to jointly agree on the quality requirements to be met and to improve quality results.

Quality meetings may be scheduled at the discretion of IDEAL Automotive, in consultation with the supplier, as part of the parts development and production process.

FMEA

FMEA helps prevent defects through a structured analysis of potential failure modes. FMEA analyses must be conducted during development, process planning, and series production. They are required for all new or modified products and processes. Due to changes in development, processes, and product use, FMEA analyses must be continuously updated.

- **A** Design **FMEA** must be prepared for the parts for which the supplier is responsible for the design.
- **A process FMEA** must be performed for all parts. FMEAs identify process weaknesses, define preventive measures, and must be conducted prior to the production of tools and equipment. When conducting the process FMEA, special consideration must be given to the specific characteristics identified in the design FMEA as well as in assembly and component drawings.

- **System FMEA** replaces the traditional design and process FMEA and should be developed as a system FMEA, particularly when dealing with subassemblies that undergo further processing or end products consisting of multiple individual parts.

The product characteristics and process parameters identified by the FMEA analyses as significant or critical become key elements of the production control plan.

Measures to reduce high-risk causes of defects must be implemented before the initial sample inspection. The supplier must make the process FMEA available to IDEAL Automotive for review at any time.

Suppliers' FMEAs are available for review by IDEAL Automotive upon prior notice. The preparation of FMEAs must be based on VDA Volume 4.2, as amended from time to time. FMEAs must be completed by the agreed-upon milestones.

QUALITY EVALUATION OF DESIGN RESULTS

In the interest of error-preventive production and continuous quality improvement, IDEAL-Automotive intends to implement a quality assessment of the achieved design results (development concept, development prototypes) as part of design reviews.

The quality assessment applies to suppliers who are responsible for design. Review dates are agreed upon by mutual agreement.

The evaluation is based on the requirements and specifications. If the results achieved deviate from the quality requirements specified in the requirements and specifications, the supplier must plan and implement corrective actions.

PROCESS CAPABILITY

The supplier conducts process capability studies for all characteristics that, in particular, affect function or safety or have a significant impact on quality (Fit / Function / Risk).

The testing must be conducted in accordance with VDA Volume 4.1. At least 25 samples from 5 subgroups are required for all significant and critical (SC/CC) characteristics. Omission of the

A process capability study or validation involving smaller quantities requires prior approval from IDEAL-Automotive.

Predicted process capability based on pre-production is achieved when the parameters for predicted process capability (Pp > 1.67) and predicted process capability index (Ppk > 1.67) are met. These parameters must be documented and demonstrated by the supplier as part of the process validation.

Process capability in mass production is achieved when the process capability parameters (Cp > 1.67) and process capability index (Cpk > 1.33) must be met. These parameters must be documented and verified during ongoing series production using manually maintained control charts or statistical process control (SPC). IDEAL Automotive reserves the right to review this documentation upon request.

If the process capability parameters are not met, process optimizations must be implemented and appropriate inspection methods applied, using all available resources, so that the quality target can be met. If defective parts are discovered at IDEAL Automotive, the supplier shall ensure that the defects are immediately corrected through appropriate measures.

INSPECTION PLANNING

Upon receipt of an order, the supplier must prepare inspection plans for incoming goods inspection, parts manufacturing, assembly, outgoing goods inspection, and material testing. Inspection planning must be carried out in accordance with VDA regulations or the APQP process.

All critical and important characteristics from the drawings, CAD data, and technical documentation, as well as the function of the parts (if applicable), must be included in the inspection plans and clearly identified.

If component-specific test equipment or measuring instruments are required, the supplier must procure them at its own responsibility. The test and measuring equipment must be available before the pilot production run begins.

DELIVERY CERTIFICATION /DOCUMENTATION

In accordance with the agreements concluded with IDEAL Automotive, the compliance of the products with specifications must be certified by means of an acceptance test certificate in accordance with DIN EN 10204, and this certificate must be included with the shipping documents for each delivery from a production lot or sent electronically in advance to the receiving department of the IDEAL Automotive recipient plant.

The acceptance test certificate must include measurement data on material properties and geometry.

SAMPLING

DEFINITION

First articles are parts that have been manufactured entirely using standard production equipment and under standard production conditions. The supplier will be notified of the first-article delivery date as part of the purchase order. The supplier must immediately notify IDEAL Automotive of any anticipated deviations from this deadline; otherwise, IDEAL Automotive reserves the right to bill the supplier for all resulting costs.

All other samples—such as hand-made samples, samples from "pre-production" molds, and samples from production molds that are not manufactured under standard production conditions—must be clearly marked as such and do not replace the official initial samples.

The first-article inspection serves to approve mass production once all dimensional, material, and functional criteria agreed upon between IDEAL Automotive (Project Management/Quality Planning) and the supplier—based on drawings, CAD data, and specifications—have been met. If the supplier's inspection results indicate that the parts do not conform to the drawing or specifications, the manufacturing process must be corrected in consultation with IDEAL Automotive, and new first articles must be submitted.

Exception: IDEAL Automotive (Quality Planning) approves a drawing correction or specification change, which then results in a change to the order documents. All agreements that affect the measurement and test results must be in writing, attached to the test report, and approved by IDEAL Automotive Quality Planning.

The initial sample submission must be conducted, as agreed with IDEAL Automotive, either in accordance with VDA Volume 2, 6th Edition, dated April 2020, "Quality Assurance for Deliveries," or in accordance with PPAP.

IDEAL Automotive GmbH has been using the VDA 2 standard for years to document compliance with legal requirements and industry standards in order to ensure due diligence in the context of product liability. Consequently, as of January 1, 2022, only samples submitted in accordance with B016, version 02 or later, will be accepted.

In parallel with the initial sample approval process, the supplier must document the material data in the VDA's IMDS database electronic material data system prior to the initial sample submission. For more information, visit http://www.mdsystem.com.

The dimensional and material test report must always include all specified properties from the drawing and specification, including all end-customer-specific (OEM) requirements. For complex parts, the dimensional report must specify the clamping and alignment basis. The

Clamping, the clamping sequence, alignment, and the tools used must be adequately documented and should be coordinated with IDEAL Automotive (Laboratory/Quality Planning) prior to the initial sampling.

CHANGED INITIAL SAMPLING DATE / FOLLOW-UP SAMPLING

If an initial sample is rejected, disallowed, or approved only subject to certain conditions due to the supplier's fault, corrected initial samples must be submitted immediately by the deadline specified by IDEAL Automotive. IDEAL Automotive reserves the right to bill the supplier for all resulting costs (e.g., additional expenses due to re-inspections, charges from the end customer, etc.).

The supplier agrees to maintain an IDEAL Automotive- or OEM-specific parts history so that all changes made by the supplier and IDEAL Automotive can be fully traced, including their implementation dates. Tooling costs will not be authorized for payment until successful sampling with a grade of 1 (pass) and complete IMDS registration have been achieved.

ORIGINAL SAMPLE / BORDER SAMPLE / REFERENCE SAMPLE

MASTER SAMPLES

The "master samples" specified in the technical documentation for color, grain, finish, etc., are binding.

> The master samples serve to clearly define surface finishes.
>
> All master samples must always be stored in a manner that protects them from environmental influences.

Deployment, modification, and replacement activities are carried out through IDEAL Automotive's quality management system.

LIMIT SAMPLES

Tolerances relative to the master samples mentioned above are defined using "limit samples" in conjunction with IDEAL Automotive Quality Management and must be documented.

REFERENCE SAMPLES

The first and last parts from the production run are retained as reference samples until the part is remanufactured during the next production run.

If the production status of a part or product deviates from the technical documentation in terms of dimensions, color, or surface finish, the deviation must be approved in writing by IDEAL Automotive.

If approval is granted and limited to a specific quantity, this production status is documented using a reference sample.

PERFORMANCE TEST

The supplier is required to conduct a performance test in-house on its own responsibility for all tooling-dependent components (e.g., 2-day acceptance test, run-at-rate, process run, etc.) and to send the results to IDEAL Automotive along with the initial sample documentation.

The Ideal Automotive document can be downloaded electronically from the

supplier portal https://www.ideal-

automotive.com/lieferantenportal/ .

IDEAL Automotive reserves the right to participate in this performance test at the supplier's facility or to verify the results on-site.

SERIAL MONITORING

TEST EQUIPMENT / MEASURING INSTRUMENTS

To ensure the suitability of test and measurement equipment, the supplier is required to regularly inspect its test equipment and document the results. The inspection must be conducted in accordance with the latest scientific and technical standards (VDA Volume 5: Test Process Suitability, or AIAG MSA).

EXAMS / RE-CERTIFICATION EXAMS

The supplier must implement systematic quality assurance measures:

- Incoming Goods Inspections
- Monitoring of process parameters
- Statistical Process Control (SPC) for capable processes
- 100% inspection for non-capable processes
- material tests / service life tests
- Audits (product audits in accordance with VDA 6.5)

The requalification test must be conducted at least once a year (with a maximum validity period of 12 months) in accordance with the technical requirements of our supplier specification (unless otherwise agreed). The test reports for the requalification tests must be made available to IDEAL Automotive within 24 hours upon request, or must be sent annually by the supplier to the IDEAL Automotive quality manager without being asked. The requalification tests must be defined in the production control plans.

The selection of the necessary measures depends on the manufacturing conditions and product requirements.

We reserve the right, if necessary, to conduct inspections or product acceptance tests at your facility, either by us or by our customers.

TRACEABILITY

Proof of traceability is required from the time of the initial sample inspection for all parts and characteristics that affect safety or comply with legal requirements. The supplier must have implemented a traceability system for all parts delivered to IDEAL Automotive that provides information on the production lot, production date, etc.

The supplier is required to improve or maintain quality and, through traceability, enable the rapid identification of defective parts. The traceability plan must be submitted together with the quality plan and approved by IDEAL Automotive.

The system must include:

- Traceability of delivery lots by supplier order number, supplier lot numbers, shift, production line, and inspection records.
- The lot numbers/date codes must be indicated on each packaging unit.
- No more than two lot numbers/date codes per shipping unit.
- The lot numbers/date codes must be delivered in the order in which they were produced. The First-In, First-Out (FIFO) principle must be observed for parts during stocking and storage.
- Component-specific labeling must be performed in accordance with the drawing.

Parts received by IDEAL Automotive without proper traceability labeling will be rejected.

CHANGES TO PARTS AND PROCESSES

Suppliers may not make any changes to a production process or a product on their own. If a change is necessary, the supplier must submit a formal request well in advance of implementing the change.

This request must be sent to the appropriate purchasing department and the designated supplier quality contact at IDEAL Automotive. Submission of this request does not constitute authorization to initiate or implement the change.

The change may not be implemented until the supplier has received written approval from IDEAL Automotive. The required scope of sampling must be coordinated with IDEAL Automotive in advance and communicated before the change is implemented.

All products shipped to IDEAL Automotive that are subject to this approval must be labeled accordingly.

TIME- -LIMITED CHANGES / EXEMPTION / SPECIAL APPROVAL

IDEAL Automotive expects its suppliers to fully comply with the specifications. Suppliers may only deliver products that do not meet the requirements (drawings, specifications, etc.) if they have a valid deviation

permit (AWE) issued by IDEAL Automotive.

The supplier must submit a written request for this AWE, including a signature, to the responsible IDEAL Automotive SQE. When requesting an AWE, the supplier is required, in particular, to provide a detailed report containing an exact description of the deviation, including part identification, definitions of corrective actions, responsibilities, and a deadline.

The supplier must ensure the traceability of all products delivered with the AWE.

Material delivered under the special release must be clearly identified with an additional label and a copy of the special release.

During the AWE period, the supplier must resolve the issue and maintain close contact with the affected IDEAL Automotive departments. Corrective actions must be included in the supplier's quality system documentation. In the event of potential delivery delays, the logistics department or the affected IDEAL Automotive plant must be notified immediately. IDEAL Automotive reserves the right to charge the supplier for any additional costs. Additional freight costs resulting from delivery delays must be documented by the supplier and made available upon request.

For shipments that do not have a valid AWE, IDEAL Automotive reserves the right to file an official complaint with the supplier regarding the shipment.

Suppliers have no right to demand the issuance of an AWE.

LABELING REQUIREMENTS AND REWORK

The supplier must perform the following special labeling:

- Identification and segregation of defective parts in the supplier's inventory, goods in transit, and inventory at IDEAL-Automotive
- Label the first three shipments of defect-free parts , and all reworked parts with an appropriate sticker on each container.

Any rework on parts delivered to IDEAL Automotive must be approved and authorized in writing by the Quality Department at the IDEAL Automotive plant before these parts are shipped. They must be marked accordingly and, if possible, delivered as a separate shipment.

The supplier must ensure that the reworked parts are inspected by the supplier's quality department to verify that they meet the agreed-upon rework specifications before shipment. The relevant documentation must be provided to IDEAL Automotive upon request.

EMERGENCY PLANS

The supplier must develop an emergency plan that outlines how the supply to IDEAL Automotive will be ensured in the event of the following situations:

- Labor shortages (sick leave, strikes)
- Failure of key equipment and machinery
- Capacity constraints amid rising customer demand
- Capacity constraints due to customer complaints
- Quality and delivery issues with its subcontractors, including delivery interruptions
- Interruptions in the power supply
- Natural disasters
- Interruptions in supply systems or disruptions to infrastructure (cyberattacks)
- Fire
- Data transmission problems
- Other serious events that could jeopardize the supply chain

If the supply chain cannot be guaranteed despite all contingency planning, IDEAL Automotive (Purchasing, Logistics) must be notified in writing immediately.

The emergency plan must be reviewed regularly, as appropriate, to ensure its effectiveness (e.g., through simulations, as appropriate).

The emergency plan must be regularly evaluated and updated, as necessary (at least annually), by a multidisciplinary team, including senior management.

The supplier must submit each new revision of the emergency plan to IDEAL Automotive's Purchasing department, which must be done via a separate survey management process through the TACTO web environment.

REDUCTION OF INCOMING GOODS INSPECTIONS

With regard to the supplier's quality assurance obligations, IDEAL Automotive will inspect incoming shipments only for part numbers, quantity, visible transport damage, and obvious defects. IDEAL Automotive will take samples for retention. Upon becoming aware of a defect, we will notify the supplier of the defect immediately, no later than within one calendar week. In all other respects, Sections 377 and 381(2) of the German Commercial Code (HGB) are excluded.

In addition, depending on the results of the quality assessment—which IDEAL Automotive conducts at regular intervals on both the supplier and the supplier's products—IDEAL Automotive also performs quality-related random incoming inspections.

The supplier agrees to provide the IDEAL Automotive plant (Goods Receiving) with both material and metrological test results for the requested production batch within 24 hours.

PREVENTIVE MAINTENANCE

Through preventive maintenance, the supplier ensures that the tools, machines, and equipment used are functional and ready for use at all times.

COMPLAINTS

QUALITY AND DELIVERY ISSUES

Any defective shipments identified at the IDEAL Automotive plant (quality or logistics issues) will be reported, and the responsible supplier will be notified immediately. To avoid production downtime at the IDEAL Automotive plant, the delivery of defect-free parts to the production line must be the supplier's top priority. For this reason, the supplier must be reachable at all times (24/7).

SUPPLIER RESPONSE TIME

The supplier must respond to the complaint immediately so that appropriate measures—such as sorting, replacing inventory, reworking, etc.—can be agreed upon, unless the respective IDEAL Automotive plant expressly waives this requirement.

The supplier's required response time may be very short (e.g., one hour) when demand arises. If the supplier fails to respond within a reasonable time, despite being aware of the demand situation—which regularly depends on inventory and production conditions—IDEAL Automotive may begin the necessary work on the supplier's behalf and at the supplier's expense, and complete it if necessary. These costs include both internal expenses—such as sorting, scrapping, special freight, internal analysis time, rework, etc.—and costs incurred by external companies. The actions to be taken by IDEAL Automotive are carried out in the supplier's best interest to prevent greater damage or

consequential costs resulting from, for example, production downtime.

HANDLING DEFECTIVE UNITS

ADDITIONAL PROVISION: HANDLING OF DEFECTIVE DATA AND DOCUMENTS

If the supplier receives a complaint, the supplier is obligated to do the following:

- To determine whether the affected material (or other potentially affected materials) was also supplied to other plants or subcontractors of IDEAL Automotive.

- Determine whether the affected material (or other potentially affected materials) is still in transit to an IDEAL Automotive plant.

- If other IDEAL Automotive plants are affected, they must be notified immediately of the non-compliance
- Implementation of Immediate Measures: - The shipping warehouse and the in-transit inventory will be placed on hold, and a 100% inspection will be conducted for the reported defect. It must be ensured that products still in transit are also inspected.
- Sending copies of 8D reports, including updates, to these locations
- Establishing necessary communication with the affected sites, e.g., conference calls, etc.

8D REPORT

In response to the complaint, the supplier must submit an 8D report and adhere to the following processing deadlines:

- Steps D1 through D3 within 24 hours (based on a business day)
- Steps D4 and D5 within 72 hours
- Steps D6 through D8 and completion within 8 calendar days.

Depending on customer or plant requirements, the processing time may be shorter. The 8D form must be uploaded to the recommended platform.

If the 8-day submission deadline is exceeded, the relevant Ideal Automotive plant must be notified. The 8D report must meet all the requirements of the VDA “8D—Problem Solving in 8 Disciplines.” To prepare the 8D report, use the 8D report template that complies with the requirements of the VDA “8D— Problem Solving in 8 Disciplines,” November 2018 edition.

INSPECTION REPORT / NOTICE OF DEFECTS

The supplier will be billed for any costs incurred by IDEAL Automotive or its customers for necessary actions.

If you have any questions regarding the inspection report or notice of defects, please be sure to include the inspection report/notice of defects number and the name of the assigned representative.

The following breakdown of costs applies to all IDEAL Automotive plants:

	DE	Eastern Europe (CZ, SK, PL
Claims processing fee:	150 €	150 €
Complaint processing (IA-QS):	66 €/h	48 €/h
NIO EMPB/PPAP:	250 €	250 €
Sorting by IA staff:	52 €/h	34 €/h
Technical customer service call-	66 €/h	44 €/h
Logistics (organization of follow-up	78 €/h	60 €/h
Logistics (forklifts/drivers/warehouse	78 €/h	60 €/h
Scrapping costs:	500 € /	500 € /

The following cost breakdown applies to all IDEAL Automotive plants in the event of a logistics-related complaint,

as summarized below:

Logistics discrepancies	Description	Fee (EUR)	Quantity
Late/Early Delivery	Delivery after the confirmed delivery date	100 €	per delivery
Missing quantity	Missing delivery / incomplete delivery – with no impact on production planning	€50	per item
Excess delivery	The quantity exceeds the confirmed order	100 €	per item
Missing ASN / EDI errors	Missing or incorrect ASN/EDI data	100 €	per shipment
Incorrect/illegible label	Incorrect label or barcode cannot be scanned	100 €	per shipment
Missing label	Missing identification label	100 €	per shipment
Incorrect packaging	Packaging does not meet specifications (e.g., must be sorted)	150 €	per shipment
Damaged material	Damage caused by improper packaging	Actual costs + €50 processing fee	per case
Repackaging required	Additional repackaging required	34 (DE: 52€)	per man-hour
Forklift service	Forklift service, if needed for repackaging or sorting	60 (DE: 78€)	per man-hour
Missing or incorrect delivery slip	Delivery without shipping documents	100 €	per delivery
Emergency shipping	Premium shipping due to supplier failure	Actual costs + €50 processing fee	per case
IA production disruption	Production disruption requiring a short-notice change to the production schedule	150 €	per case
IA Line stoppage	Production stoppage due to a supplier error	Actual costs + €50 processing fee	per case
Disruption of the OEM production line (customer)	Production disruptions at the customer's site (downtime, reduced production, rework on vehicles, interruptions with or without a complete shutdown) caused by the supplier	Actual costs + 15% surcharge	per case

To this end, we follow the IDEAL Automotive monitoring program. This program can be made available upon request.

WARRANTY MANAGEMENT – ANALYSIS AND EVALUATION

In addition to the typical quality metrics for the new-car segment, IDEAL Automotive, compared to the OEMs are required to optimize their products with regard to warranty claims.

IDEAL Automotive establishes corresponding warranty targets for its suppliers. These warranty targets are agreed upon by IDEAL Automotive and the supplier on a project-by-project basis or for the supplier's entire scope of supply. In the event of deviations from these targets, the supplier must take appropriate action and present it to IDEAL Automotive.

IDEAL Automotive follows the applicable OEM standards or the VDA manual on field damage analysis when processing and evaluating field-damaged parts.

The goal is to define a systematic and standardized approach for suppliers to follow when conducting analyses. The primary focus here is on determining the cause of the field damage and defining corrective actions. To this end, the supplier must describe its process.

If the supplier is unable to identify the cause of the field failure, or if no fault was found, this is an indication that the supplier's analysis strategy is suboptimal. Unless otherwise agreed, an NTF (No Trouble Found) process must be initiated.

IDEAL Automotive is entitled to audit the supplier's warranty processes after prior consultation with the supplier.

IDEAL Automotive expects its suppliers to maintain appropriate document control and archiving procedures. Archiving must ensure access to the data during the retention period. For technical documents that do not relate to safety-critical parts or features, a retention period of at least 10 years after the last use or reference applies, unless other periods have been agreed upon. For all other documents, the retention period is 15 years after EOP. The documents must be easily accessible during this time.

PARTS REQUIRING DOCUMENTATION (SAFETY SYMBOLS: D / / A1)  **/ L / DZ / TLD**

This section applies exclusively to parts or materials that are explicitly identified as such in the supplier specifications issued by IDEAL Automotive (see Section 3.1.3). The basis for preparing the documentation is the VDA brochure, Volume 1, “Parts Subject to Documentation Requirements by Automobile Manufacturers and Their Suppliers.”

The symbols indicate that there is a legal requirement to document these items (items subject to documentation). Items subject to documentation are products for which a particular risk is to be expected under the circumstances of product liability.

Parts and their characteristics are clearly identified in the IDEAL Automotive documentation. The supplier is responsible for the documentation.

The supplier agrees to maintain documentation in such a way that it can be conclusively demonstrated at any time that the specifications have been met and that the corresponding test results have been recorded and documented.

The documentation requirement applies for a period of at least 15 years or in accordance with customer-specific requirements and must be fulfilled in an appropriate manner (e.g., storage in a fireproof steel cabinet), whereby, if necessary, evidence of due diligence must be provided (proof of compliance).

The documents must be provided immediately upon request to the IDEAL Automotive representative or the competent authority. This primarily concerns proof of flame resistance in accordance with FMVSS 302. If products delivered to are relevant for VCC certification, the GB 8410 methodology must always be used to assess flame resistance. This relevance must be verified and taken into account through supporting technical documentation—for more information, see the section “Tests / Requalification Tests.”

For components designated as D-parts in the supplier specification and for ZSB components supplied to the VW Group, the supplier must conduct a D-part audit once a year and submit it to IDEAL Automotive upon request.

For the components affected by this, this procedure is clearly described in the supplier specification.

The audit checklist for the D-part audit can be downloaded at https://www.ideal-automotive.com/lieferantenportal/.

GENERAL DOCUMENTATION

For all parts and characteristics not subject to documentation requirements, the records and specifications must be retained for at least five years and presented to IDEAL Automotive upon request. Furthermore, the respective legally prescribed retention periods must be observed. The retention periods for characteristics subject to documentation requirements, taking into account VDA Volume 1, are addressed in Chapter 3.9.1.

PRODUCT SAFETY OFFICER (PSCR)

The supplier must appoint a Product Safety Officer and a deputy for each stage of the supply chain.

The PSCR and the deputy must have completed training through a course or licensing partner recognized by Volkswagen AG.

Training certificates and phone numbers/email addresses must be sent to the Purchasing Department at IDEAL Automotive.

The responsibilities of the product safety officer at the supplier are defined in Appendix No. 6.

LABELING

LABELING OF SERIAL PRODUCTS

If labeling of parts is required in the drawing or specification, it must be included as specified in the drawing.

MARKING OF HANDLING AND PRODUCT CHARACTERISTICS

Clear instructions regarding the handling of the goods ("Handle with care—fragile" or similar) are required.

For auxiliary materials (adhesives, primers, activators, etc.), the shelf life and recommended storage temperature must be specified.

LOGISTICS REQUIREMENTS

INFORMATION EXCHANGE

To ensure high-quality logistics, an effective exchange of information is essential. Communication between IDEAL Automotive and its suppliers is the foundation of a well-functioning supply chain.

A successful partnership is based on strict adherence to agreed-upon terms and rules, as well as on the immediate and unsolicited provision of information regarding matters related to the partnership, such as processes, capacities, changes, and bottlenecks (the supplier's obligation to provide such information).

IDEAL Automotive expects its suppliers to share opportunities and insights regarding cost-saving potential, process optimization, and improvements in collaboration, and to work together to implement them quickly.

Upon conclusion of the contract, the supplier shall submit the fully completed emergency plan, including contact information, to the responsible buyer at IDEAL Automotive (purchasing@ideal-automotive.com) for forwarding to the customer's plant.

AVAILABILITY

The supplier's contact persons must be available on weekdays between 8 a.m. and 4 p.m. Since IDEAL Automotive's plants typically operate on a multi-shift basis, they must

IDEAL suppliers must ensure they can be reached even outside normal business hours. To this end, the supplier shall designate a central point of contact or cell phone number that is available from 12:00 a.m. to midnight.

For **escalation requests marked "urgent"**—for example, due to an impending supply shortage—a **response** is required **within one** hour **at the latest**.

If the supplier is unable to provide a definitive statement at this time, the supplier must provide the information currently available.

In the event of prolonged delivery difficulties, a plan for reducing the backlog must be drawn up.

The supplier shall immediately notify the responsible scheduler of **any discrepancies** between **deliveries** and orders (regarding delivery dates and quantities) and of any anticipated delivery bottlenecks (the supplier's obligation to deliver).

The responsible scheduler will notify the supplier of any additional requirements in a timely manner

displayed by quantity and date. The supplier must inform the dispatcher as soon as possible—but no later than within 2 business days—whether the additional demand can be met. Otherwise, the supplier must propose the best possible alternative delivery date or delivery schedule (delivery in partial quantities) to the dispatcher.

If the supplier does not provide any information, IDEAL will consider this as consent and assume that delivery will be made on time and in the correct quantity.

SUPPLIER EVALUATION

The semi-annual supplier evaluation takes into account the assessment of quality performance, adherence to schedules and quantities, cooperation, frequency of special deliveries, delivery and data quality, as well as any existing quality management and environmental certifications. The supplier is notified of the evaluation results in writing—in the event of nonconformities, the supplier must take appropriate measures and demonstrate that the issues have been permanently resolved.

When IDEAL Automotive sends a general information request to a supplier, a response is required on the same day. If individual employees of the supplier are absent, it must be ensured that appropriate arrangements for their replacement have been made.

Substitute arrangements must be in place for all points of contact.

COORDINATION MEETING

IDEAL Automotive reserves the right to hold coordination meetings with suppliers. In the event of significant changes or issues relevant to the collaboration, the meeting will be organized by the partner concerned. The supplier is required to participate.

SUPPLIER'S ANNUAL CLOSURE

During the supplier’s shutdown, the supplier must ensure that deliveries are made in accordance with the call-off schedules**. Advance scheduling for the period of the supplier’s shutdown is permitted only in exceptional cases and in consultation with the responsible IDEAL scheduler.**

CONFIDENTIALITY

IDEAL Automotive and its suppliers agree to treat all specifications, agreements, and related documents as confidential. The parties agree to actively provide the partner with important information. IDEAL Automotive considers the confidentiality of the information exchanged to be a fundamental principle of a stable business relationship that the supplier must uphold.

ORDERING PROCESS

IDEAL Automotive uses two possible ordering systems. Suppliers receive the requirements either as delivery calls or as purchase orders.

The dates specified in the delivery request or purchase order are the dates of receipt by IDEAL Automotive. As a general rule, purchase orders and delivery requests are considered legally binding (whether transmitted via EDI, email, fax, or mail) and do not require a written order confirmation.

For IDEAL Automotive, the exchange of order (LAB) and shipping (ASN) information is only possible via electronic data transmission (DFÜ). Transmission via fax, email, or other (analog) methods will be phased out gradually.

AUTOMATIC DELIVERY REQUESTS

Automatic delivery schedules are essentially time-driven delivery schedules; that is, you specify a certain delivery quantity under specific terms and conditions for a specific validity period. Within the validity period, the material can be ordered or procured at (irregular) intervals under the terms and conditions specified in the delivery schedule.

The purchase order proposals generated by demand planning in the ERP system are immediately converted into purchase orders and sent to the supplier via a selected medium. Automatic delivery schedules are always selected as the order type when it is certain that the requirements automatically determined during demand planning do not need to be reviewed again and are not subject to significant fluctuations.

Delivery calls should be viewed as binding, day-specific delivery instructions, and, for the medium and long term, as weekly or monthly demand forecasts. Delivery calls are transmitted on a rolling basis. They are updated regularly and contain the forecast of end-customer demand available to us (IDEAL).

The most recent delivery request submitted is binding and supersedes any earlier delivery requests. No separate order confirmation is issued; acceptance of the request serves as confirmation.

IDEAL Automotive does not accept any obligation to purchase goods. Production and material approvals are provided with the delivery call-off or agreed upon separately and apply only when an item is being phased out.

(INDIVIDUAL) ORDERS BASED ON FIXED DATES AND QUANTITIES

Individual orders are generally used to order goods at irregular intervals and in varying quantities, or under fluctuating terms and conditions.

For individual orders, a quote requested in advance by IDEAL from the supplier is used as a reference.

Individual orders place an increased planning burden on the supplier and IDEAL Automotive's planning department and should be considered exceptional cases. Delivery calls or the submission of quantity forecasts under framework agreements are preferable to individual orders, provided that the product to be delivered and the supplier's logistics allow for this.

EDI GUIDELINES

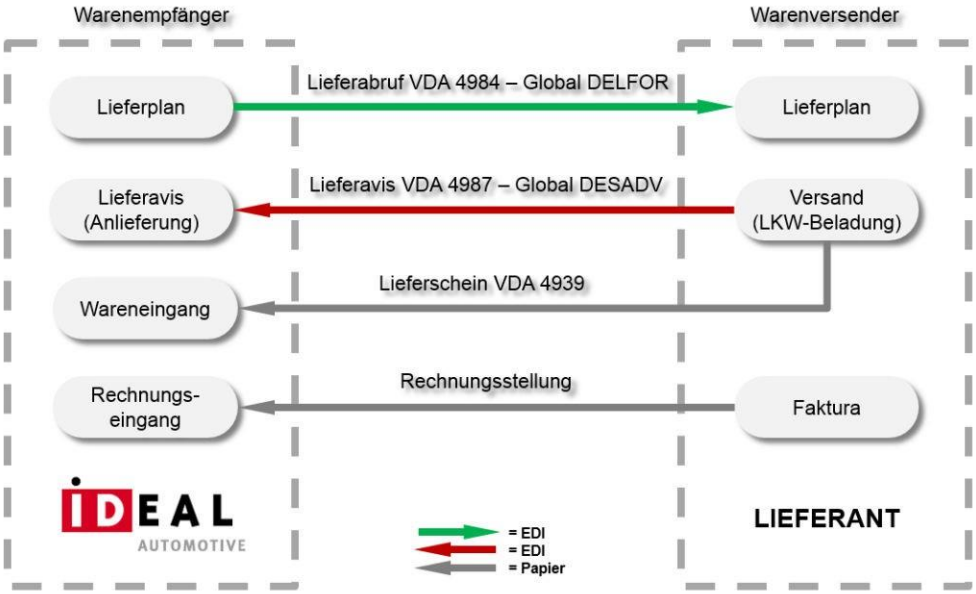
IDEAL Automotive requires the use of remote data transmission for sending delivery calls, as this allows the supplier to automatically receive a complete overview of dates and quantities as demand in the demand planning module of its ERP system, without having to manually enter the demand dates and quantities.

IDEAL Automotive expects to receive delivery notification via ASN (Advanced Shipping Notice). The VDA standard in message format VDA 4913, Version V0.4, or Global DESADV VDA 4987 must be used for this purpose. The packaging structure must be represented in the ASN in accordance with VDA standards.

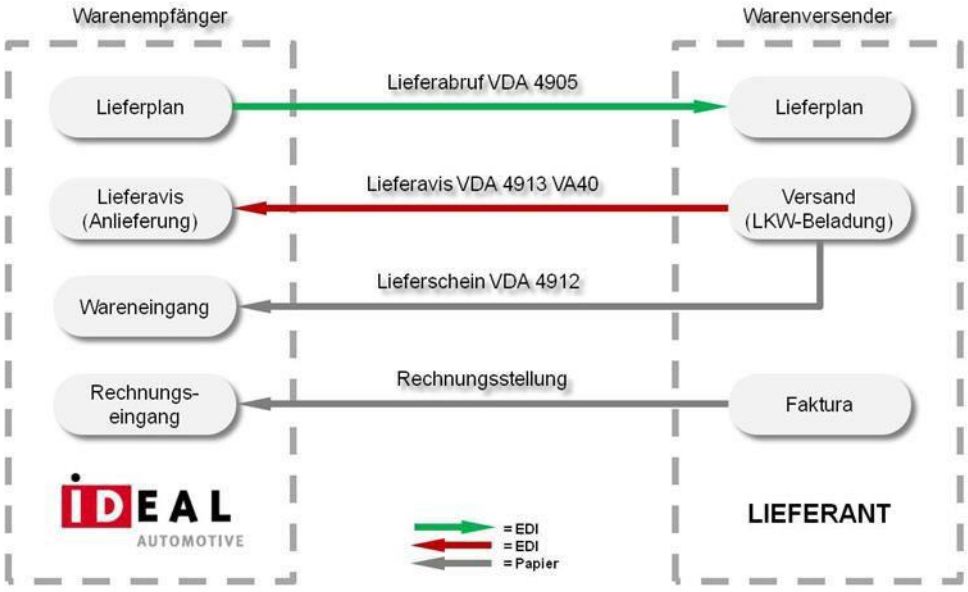
For shipments to our SAP plants, the following applies: Preferably Global DESADV VDA 4987; alternatively, EDIFACT VDA 4913

For deliveries to all other plants: EDIFACT VDA 4913

The following diagram shows the VDA standards to be implemented for IDEAL SAP plants:



The following chart shows the VDA standards to be implemented at all other IDEAL plants:



If the supplier is unable to receive or send electronic data, the required quantities and dates will be provided as a delivery request or purchase order via **an automatically generated email**.

To this end, the supplier should designate or set up a generic email address,

e.g., bestelleingang@lieferant.com

It is helpful if the supplier includes an automatic confirmation of receipt in the email. If you have any questions, do not reply to the IDEAL sender address; instead, contact the person listed in the order header or the designated IDEAL dispatcher directly.

SHIPPING PROCESS

LABELING OF SHIPPING UNITS

The supplier labels all shipping units using shipping tags.

For deliveries to our SAP plants, the following applies: VDA 4994 – Global Transport Label

Alternatively, for deliveries to all other plants: VDA 4902

Labels on loading units can take the following forms:

- Master label for a homogeneous loading unit: The loading unit contains parts with the same part number that are packed in inner packaging (e.g., KLT). These inner packaging units are identified by their own labels (single labels).
- Master label for a mixed loading unit (Mixed Label): The loading unit contains parts with different part numbers that are packed in inner packaging. The inner packaging is identified by its own label (Single Label).
- Single-label simplified loading unit: The loading unit contains parts with the same part number that are not packaged in additional inner packaging.

The physical assignment of SINGLE labels to a MASTER/MIXED label on the HU must correspond exactly to the HU structure in the electronic transmission via ASN. It is important to correctly assign the individual SINGLE labels to the parent MASTER/MIXED label number. The supplier must ensure this when assigning the labels to the containers during the shipping process.

The fully and correctly completed shipping label must be clearly visible and securely attached to the designated locations/fixtures on the load carriers; see illustrations.

For single-use packaging and goods on rolls, the shipping label must be attached to the front.

A shipping label must be affixed to each loading unit, each container, and each individual package within a loading unit; any irrelevant labels must be removed before shipment to IDEAL Automotive. The affixing of shipping labels—

If reusable packaging is used, it must be secured with adhesive dots that are easy to remove and leave no residue. It must be ensured that the fastening is secure.

SHIPPING DOCUMENTS

The supplier must ensure that the shipping documents are properly completed. Deliveries lacking the required information cannot be processed. IDEAL Automotive reserves the right to bill the supplier for any additional expenses incurred.

The following shipping documents must be presented in full at the receiving department upon delivery:

- Delivery note:
  - For deliveries to our SAP plants, the following applies: VDA 4939
  - Alternatively, and for all other plants, the following applies: VDA Goods Accompanying Document (VDA 4912), for electronic delivery notes (VDA 4913 VA40)
- Waybill:
  - The following applies to deliveries to our SAP plants: VDA 4933 T1 DESADV
  - Alternatively, and for all other plants, the following applies: VDA 4922, if the supplier is based outside Germany , in addition CMR waybill (to be shipper, signed and stamped)

Parts for initial sample inspection must be listed separately on the delivery note.

The delivery documents must be prepared and the goods loaded on a per-unloading-point basis. When using electronic delivery note transmission, the delivery note notification (VDA 4987 Global DESADV/VDA 4913 VA40) must be transmitted in a timely manner, no later than when the goods are shipped.

Delivery note documents must always include the following information:

- the complete IDEAL order number (order number or framework agreement number / call-off number)
- the complete IDEAL part number
- the complete IDEAL product description
- Quantity delivered per IDEAL product number
- Lot numbers / Batches
- Number of loading units delivered (pallets, cartons, KLTs, GLTs, mesh boxes, etc.)
- The complete IDEAL part number for the loading units
- The supplier’s contact information (responsible dispatcher)
- Weight
- Delivery terms

For suppliers headquartered outside the EU, please also provide the customs tariff number and country of origin. Additional documents are required; see the “Customs” section.

Please ensure that a copy of the delivery note is attached to the waybill/freight forwarding order.

MULTIPLE CONTAINERS, MIXED PALLETS, SPECIAL CASES

If there are multiple pallets or containers, it must be possible to clearly assign each container to a delivery note.

Multiple orders

If multiple orders are combined into a single shipment, the shipping documents must still clearly identify each individual order.

Mixed pallets

In the case of mixed pallets, the pallets must be marked with a special DIN A4-sized label bearing the "Mixed Cargo."

Special Cases

For the special cases listed below, combined delivery is permitted only if the loading unit is clearly marked.

- Pre-production shipment of prototype parts without part numbers (project name indicated on each side of the loading unit)
- Deliveries with special approval
- Initial deliveries of new approved stock
- Trial orders
- Submission of packaging proposals

The labeling must be applied to all four sides of the shipping unit in DIN A4 size, in the high-visibility color yellow, and must include the necessary information regarding the special case, specifying the project, e.g., "Sample part delivery, vehicle/project: …. Attention: …."

In the special cases mentioned above, in addition to the shipping documents described, the delivery slip must be affixed to the loading unit in a clearly visible location.

DELIVERY TIMES

Delivery times vary by IDEAL location and must therefore be coordinated individually with each plant.

To optimize dock utilization at the receiving plant, the time slots to be adhered to are coordinated between the supplier and IDEAL Automotive before regular deliveries begin.

Deliveries outside the specified times are permitted only in exceptional cases and only after consultation with the scheduling department and the receiving department—any deviations from this policy require a separate agreement; otherwise, the goods will not be unloaded.

Should delayed deliveries result in additional expenses, IDEAL Automotive reserves the right to bill the supplier for these additional expenses.

TIMELY DELIVERY AND NOTIFICATION

For "free on the door" deliveries, the supplier is fully responsible for ensuring that the goods arrive on time and in proper condition. The supplier shall ensure that the contracted freight forwarder is always able to provide information regarding the location of the goods.

For "ex works" deliveries, the supplier is responsible both for the timely provision of the goods and loading, as well as for the timely and accurate notification of the carrier, unless otherwise agreed. The notification must be provided in a timely manner to ensure that the goods are delivered by the specified arrival date.

In exceptional cases (production stoppages, etc.), IDEAL Automotive reserves the right to postpone or cancel deliveries scheduled by the supplier on short notice.

CUSTOMS

Origin of Goods

If the supplier has its manufacturing facility and/or registered office within the European Union, the supplier is required to issue a supplier's declaration in accordance with Regulation (EC) No. 1207/2001 (single or long-term declaration) pursuant to the applicable EC regulations. As a general rule, the supplier will receive a separate letter at the turn of the year containing the corresponding form (supplier's declaration). The supplier agrees to sign the supplier's declaration in a legally binding manner and to submit it to the appropriate authority within 4 weeks of receipt.

Return to IDEAL Automotive. Of course, the supplier may issue the required supplier's declaration on its own letterhead in accordance with Regulation (EC) No. 1207/2001.

Duty to Provide Information

In general, the supplier must include the following information on the invoice and delivery slip, in addition to the details listed in the "Shipping Documents" section:

Preferential Treatment on Invoices

If IDEAL Automotive handles customs clearance, the supplier must provide the following documents: invoice, shipping documents, certificate of origin, preferential certificate, and export documents.

Suppliers from countries outside the EU

Unless otherwise agreed, customs clearance for shipments crossing EU customs borders is generally handled by the supplier.

All papers and documents required for cross-border transport (especially proof of preferential treatment) must be provided by the supplier at the supplier's expense and included with the shipment.

SPECIAL TRANSPORTATIONS

Special shipments are defined as all material transports that are intended to reach their destination more quickly in order to prevent a supply shortage, or that, due to disruptions in the production or delivery process, require more frequent deliveries than the agreed-upon delivery schedule.

The supplier is responsible for organizing the special delivery, unless otherwise agreed upon by telephone with IDEAL Dispatch.

The costs for special deliveries are always borne by the party responsible for them. Ensuring supply always takes priority.

Documentation Requirements for Special Runs: For IDEAL Automotive, continuous quality improvement is a core principle. Compliance with IATF 16949 is both a tool for achieving this and a requirement of our customers.

IATF 16949 requires documentation of the additional freight costs for special shipments made by our suppliers. This means that the supplier must record the costs incurred for special shipments and the reasons for them. The supplier is required to provide this documentation upon request at any time.

PACKAGING

GENERAL INFORMATION

Packaging, packing quantities, and delivery batch sizes must be planned and agreed upon in a timely manner prior to the start of series deliveries on a part-specific basis, taking into account logistics, quality assurance, environmental compatibility, and cost-effectiveness.

To minimize the risk of injury to IDEAL Automotive employees and supplier personnel, care must be taken to ensure that the maximum allowable gross weight of a package—12 kg—is not exceeded.

Exceeding the maximum permissible weight of packages and load carriers is permitted only if technical circumstances make it impossible to comply with the maximum permissible weight. This must be coordinated with IDEAL Automotive in advance.

To this end, the supplier must submit a packaging proposal—giving priority to the use of IDEAL Automotive standard containers—well in advance of SOP so that the containers are available by SOP, taking procurement lead times into account.

The fill level of a container should not exceed an average daily volume, and the design should call for the smallest possible container.

When planning, the necessary lead time must be taken into account, and the development, approval, and procurement processes must be initiated early enough. An alternative packaging option is defined for each type of packaging in case of a container shortage.

Regardless of the type of packaging chosen, the following requirements must be met:

- Delivery of undamaged parts (no impairment of quality)
- Formation of efficient loading units
- Optimal utilization of containers
- Filling material must be kept to a minimum
- Securing the load for transport
- Protection against dust and moisture
- Low flammability
- Easy unloading of transport vehicles using industrial trucks
- Stackable (at least two high)
- Design suitable for handling
- Maximum allowable weight per package: 12 kg
- Ergonomic and easy removal of parts
- Recyclable materials
- Preference for reusable packaging
- Labeling of Packaging Materials Used
- Containers and packaging must be used only when clean

The supplier shall deliver the parts in accordance with the packaging specifications defined in the packaging definition and the guidelines in the logistics manual. The supplier must notify IDEAL Automotive of any deviations from the agreed-upon packaging concept prior to shipment and obtain approval for such deviations.

The supplier is liable for any reduction in quality resulting from defective, wet, or soiled packaging. In principle, the shipper is liable for the condition of the delivered goods.

If containers are delivered damaged, improperly used, or in violation of regulations, IDEAL Automotive reserves the right to bill the supplier for the additional costs (repackaging, repairs, etc.).

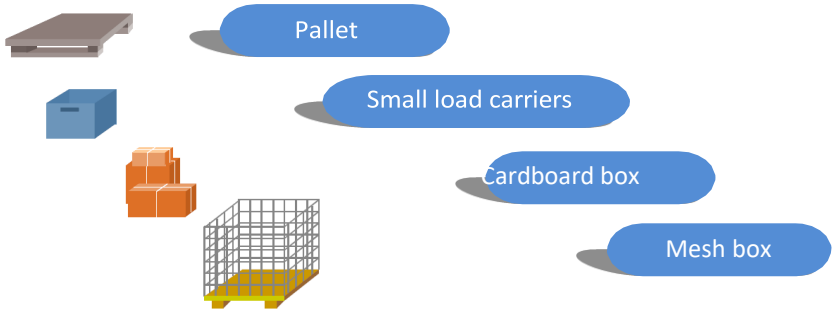
REUSABLE AND DISPOSABLE PACKAGING

IDEAL Automotive aims to make extensive use of reusable packaging for environmental and cost reasons.

The supplier is responsible for procuring reusable containers for its own inventory and for transporting full containers. IDEAL Automotive procures the containers for transporting empty containers and for its safety stock.

IDEAL Automotive's standard reusable packaging is divided into general reusable load carriers (Euro mesh boxes, Euro pallets) and IDEAL Standard KLTs.

When planning packaging with the supplier, the first step is to verify the suitability of these standard reusable options.



IDEAL Standard KLTs in accordance with VDA Standard 4500 in RAL 5005 (blue)

These KLT containers are available in the following dimensions (L x W x H):

	**RL-KLT 6280**
	External dimensions: 600 x 400 x 280 mm
	Internal dimensions: 532 x 346 x 231 mm
	Tare weight: 4.4 kg
	Filling weight: 15 kg
	Max. static load capacity: 600 kg
	Material: PP
	IDEAL Part No.: KLT.6280.5005 IDEAL Part No. SAP Plants:

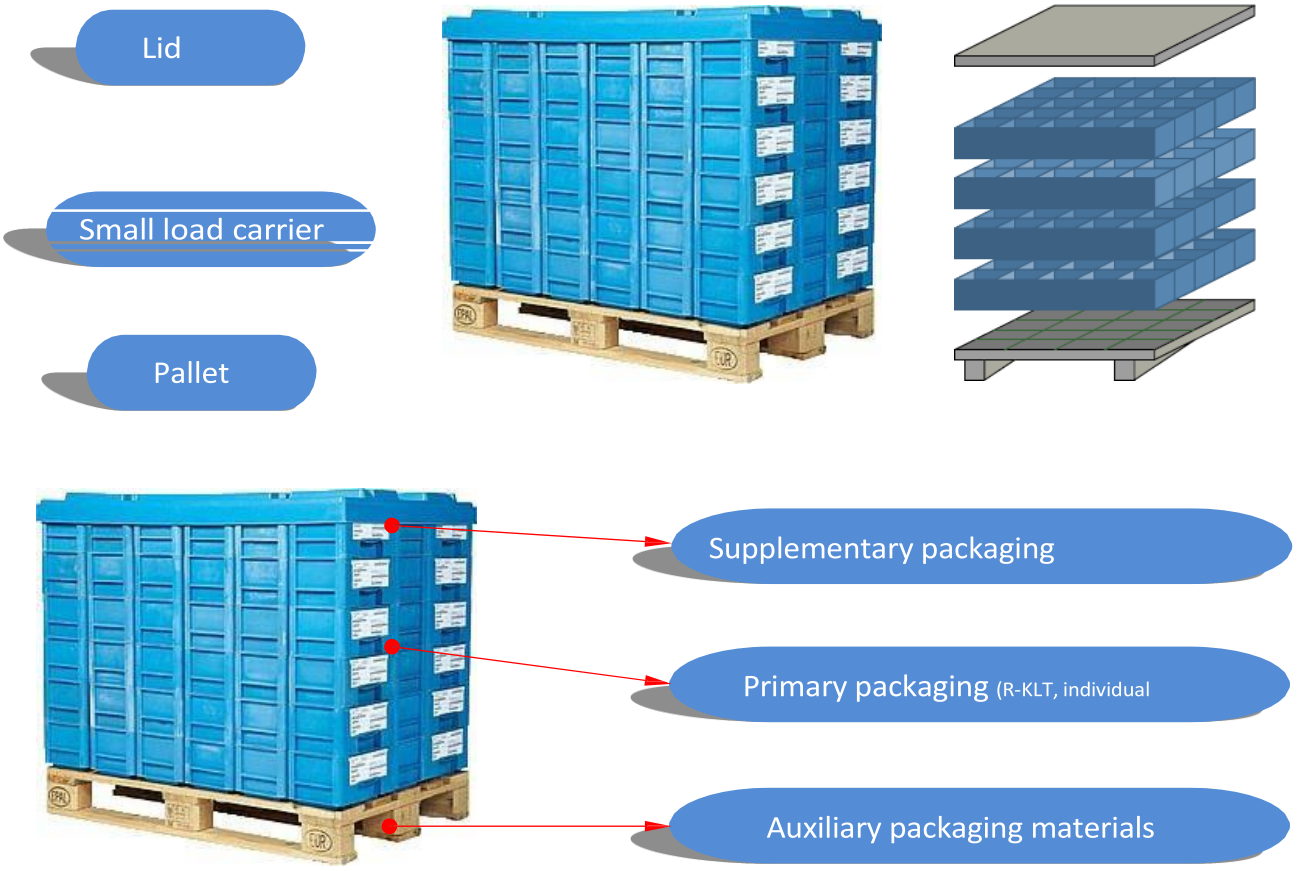
	**RL-KLT 4280**
	External dimensions: 400 x 300 x 280 mm
	Internal dimensions: 334 x 247 x 236 mm
	Tare weight: 2.83 kg
	Filling weight: 10 kg
	Max. static load: 600 kg
	Material: PP
	IDEAL Part No.: KLT.4280.5005 IDEAL Part No. SAP Plants: KLT4280

	**RL-KLT 4147**
	External dimensions: 400 x 300 x 147 mm
	Internal dimensions: 346 x 265 x 109.5 mm
	Net weight: 1.3 kg
	Filling weight: 10 kg
	Max. static load capacity: 600 kg
	Material: PP
	IDEAL Part No.: KLT.4147.5005 IDEAL Part No. SAP Plants: KLT4147

	**RL-KLT 3147**
	External dimensions: 300 x 200 x 147 mm
	Internal dimensions: 243 x 162 x 129.5 mm
	Tare weight: 0.6 kg
	Net weight: 10 kg
	Max. static load capacity: 600 kg
	Material: PP
	IDEAL Part No.: KLT.3147.5005 IDEAL Part No. (SAP Plants):

In the event of a shortage of the above-mentioned KLTs, disposable cardboard boxes with identical dimensions should be

.



(SLT)

If standard load carriers cannot be used due to the nature of the parts, their dimensions, or similar factors, the use of specially designed load carriers (SLT) should be considered.

Special load carriers can include steel pallets and containers, as well as pallets with special dimensions, pallet types, folding designs, etc.

The development and approval process described in the section “Packaging Development for Special Load Carriers” must be strictly adhered to—the use of an SLT without prior approval from IDEAL Automotive is not permitted.

Disposable Packaging

Single-use packaging should generally be avoided. If avoidance is not possible, single-use cardboard boxes with dimensions identical to those of the aforementioned IDEAL-KLT must be used, coordinated with IDEAL Automotive, and, in accordance with the Packaging Ordinance (VerpackV § 4), the supplier must take back the single-use packaging at its own expense. Upon agreement, the supplier may be exempted from this take-back obligation.

All single-use packaging must be clearly marked with standardized pictograms and abbreviations in accordance with DIN 6120 et seq. or with symbols recognized by the waste management industry.

Special Requirements for the Use of Wood Materials

For international trade in solid wood packaging materials, the phytosanitary regulations of the IPPC (International Plant Protection Convention) must be complied with, and the corresponding documentation must be provided.

Roll goods

Roll goods must be delivered lying flat on cardboard tubes. If, for quality reasons, vertical storage and transport are necessary, this must be agreed upon separately with IDEAL.

Overseas Packaging and Overseas Transport

If, due to the location, packaging suitable for overseas shipment is required, you can find more detailed information in the official documents “Overseas Packaging Regulations for Materials” and “Overseas Packaging Regulations for Equipment and Tools” on the IDEAL Automotive Supplier Portal (http://www.ideal-automotive.com under Supplier Portal, Download Center).

PACKAGING DEVELOPMENT FOR SPECIAL LOAD CARRIERS

Special packaging requires closer coordination between IDEAL Automotive and the supplier.

As a rule, the supplier is responsible for developing specialized cargo carriers. To this end, the supplier presents a basic concept—after the concept and the container labeling to be used have been agreed upon, the supplier arranges for the construction of a prototype. Once the prototype has been mutually approved, the supplier provides a specification for the cargo carrier and proceeds with the procurement of the containers.

The supplier is responsible for packaging design and implementation.

The allocation of costs for container procurement and future ownership of the containers will be specified in the purchase agreements.

The owner of the container must be identified on the container.

PACKAGING SURPLUSES

If projects or delivery scopes come to an end, the supplier is required to report any surplus packaging—which is the property of IDEAL Automotive—in writing to the responsible empty container management and packaging planning department.

EMPTY CONTAINER PROCESS

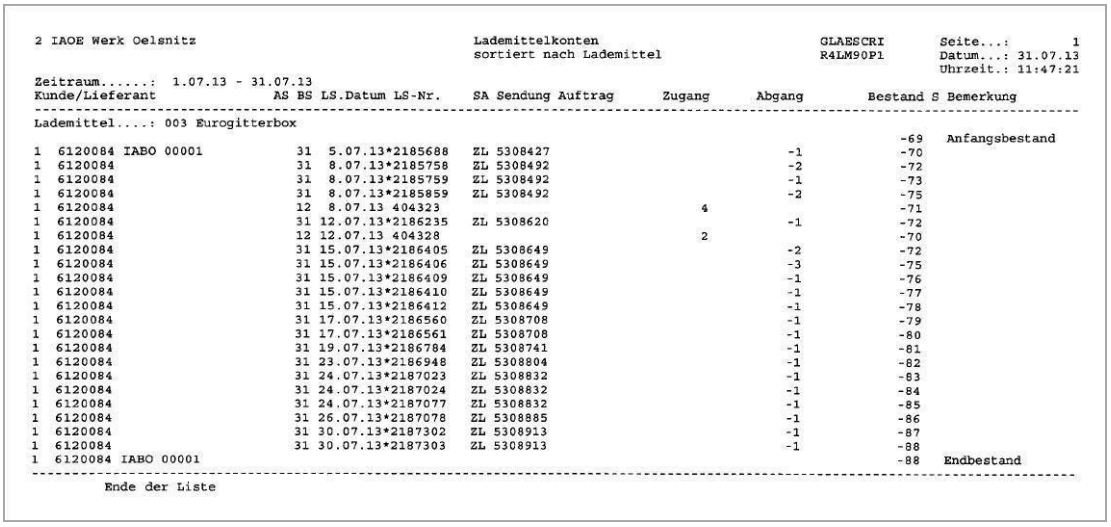
INVENTORY MANAGEMENT

For all suppliers who deliver to IDEAL Automotive using reusable packaging, a corresponding returnable container account will be set up for each type of container used. All reusable loading containers will be assigned an IDEAL loading container number.

Suppliers' empty container deliveries are managed based on container inventory control. In this process, the quality of the booking data directly affects the supply of containers to meet demand and is largely determined by the suppliers themselves. This includes, among other things, the correct entry of delivery note data and the verification of empty container shipments in terms of quantity and container type.

The delivery note or waybill serves as a booking document for the proper monitoring, control, and processing of all movements of loading equipment.

To ensure the accuracy of the load carrier accounts, the book balances are reconciled on a regular basis. To this end, suppliers receive a monthly statement detailing the current inventory of load carriers (see figure). The statement shows the inventory balances, taking into account both incoming and outgoing transactions.



2 IAOE Werk Oelsnitz — Lademittelkonten sortiert nach Lademittel — GLAESCRI R4LM90P1 — Seite...: 1 — Datum...: 31.07.13 — Uhrzeit.: 11:47:21

Zeitraum.....: 1.07.13 - 31.07.13

Kunde/Lieferant	AS	BS	LS.Datum	LS-Nr.	SA	Sendung	Auftrag	Zugang	Abgang	Bestand	S	Bemerkung
Lademittel....: 003 Eurogitterbox												
										-69		Anfangsbestand
1 6120084 IABO 00001		31	5.07.13	*2185688	ZL	5308427			-1	-70		
1 6120084		31	8.07.13	*2185758	ZL	5308492			-2	-72		
1 6120084		31	8.07.13	*2185759	ZL	5308492			-1	-73		
1 6120084		31	8.07.13	*2185859	ZL	5308492			-2	-75		
1 6120084		12	8.07.13	404323				4		-71		
1 6120084		31	12.07.13	*2186235	ZL	5308620			-1	-72		
1 6120084		12	12.07.13	404328				2		-70		
1 6120084		31	15.07.13	*2186405	ZL	5308649			-2	-72		
1 6120084		31	15.07.13	*2186406	ZL	5308649			-3	-75		
1 6120084		31	15.07.13	*2186409	ZL	5308649			-1	-76		
1 6120084		31	15.07.13	*2186410	ZL	5308649			-1	-77		
1 6120084		31	15.07.13	*2186412	ZL	5308649			-1	-78		
1 6120084		31	17.07.13	*2186560	ZL	5308708			-1	-79		
1 6120084		31	17.07.13	*2186561	ZL	5308708			-1	-80		
1 6120084		31	19.07.13	*2186784	ZL	5308741			-1	-81		
1 6120084		31	23.07.13	*2186948	ZL	5308804			-1	-82		
1 6120084		31	24.07.13	*2187023	ZL	5308832			-1	-83		
1 6120084		31	24.07.13	*2187024	ZL	5308832			-1	-84		
1 6120084		31	24.07.13	*2187077	ZL	5308832			-1	-85		
1 6120084		31	26.07.13	*2187078	ZL	5308885			-1	-86		
1 6120084		31	30.07.13	*2187302	ZL	5308913			-1	-87		
1 6120084		31	30.07.13	*2187303	ZL	5308913			-1	-88		
1 6120084 IABO 00001										-88		Endbestand

Ende der Liste

Figure: IDEAL Container Account Statement

In addition to the monthly account reconciliation, a physical inventory count is typically conducted once a year. The date for the inventory count is set by IDEAL Automotive. On the date of the inventory count, IDEAL Automotive sends an inventory checklist (count sheet) to the supplier. The supplier is required to conduct the inventory count on the specified date and to submit the completed count sheet to the person responsible for empties at IDEAL Automotive within 10 business days.

In addition, IDEAL Automotive reserves the right to conduct an extraordinary inventory once a year, if necessary.

Zählliste Leergut-Inventur IDEAL Automotive

Lieferant: .....
Stichtag: .....
Durchgeführt: ..... (Name, Position)
Geprüft IDEAL: ..... (Name, Position, Datum)

BehälterNr. Ideal	Beschreibung	Behälternr. Lieferant	gezählt Lieferant	Differenz
003	Euro-Gitterbox			
125	R-KLT 4315			

vom Lieferant auszufüllen

Hiermit bestätigen wir Ihnen die ordnungsgemäße Durchführung der Inventur und die Richtigkeit der genannten Aufnahmezahlen.

.....
Datum, Unterschrift, Firmenstempel Lieferant

Figure: Count Sheet for Empty Container Inventory

IDEAL Automotive reserves the right to replace any missing items. The quantities in short supply will be billed at replacement cost in accordance with the polluter-pays principle.

If the inventory count is not conducted on time and correctly, supplies will initially continue based on the unadjusted book inventory. However, there is a risk that shortages in the supplier's supply of returnable containers may occur as a result of undetected shortfalls. Any resulting expenses (e.g., special deliveries, alternative packaging, repackaging costs, etc.) shall be borne by the supplier.

Users of this container system are responsible for identifying any damage or loss and reporting it to the logistics contact at IDEAL Automotive.

The contact person for all questions regarding transport processing and management is the administrator listed on the account statement.

COSTS FOR RETURNING EMPTY CONTAINERS

Unless otherwise specified in the contract, the return of empties is handled as follows:

For "ex works supplier" delivery terms, IDEAL arranges the transport of returnable containers to the supplier.

Under the "free on-site" delivery terms, the supplier is responsible for taking back the empties as part of the delivery of full containers (direct exchange) or is otherwise responsible for picking them up.

HANDLING OF EMPTY CONTAINERS

Procedure for Cleaning Containers

As a general rule, suppliers must deliver parts only in clean and functional load-bearing containers. IDEAL Automotive ships its reusable packaging in a condition ready for use.

If the cleanliness of the load carriers does not meet the quality requirements for the material to be transported in them, the supplier shall carry out cleaning measures.

"Clean" means "swept clean," free of old labels and debris, and free of dust, grease, and oil.

IDEAL Automotive inspects the condition of the containers—in terms of cleanliness and functionality—upon receipt of the goods. If the supplier, in violation of its obligation, delivers goods in heavily soiled containers, IDEAL Automotive reserves the right to bill the supplier for the resulting costs.

Handling Defective Empty Containers / Repairs

Upon each receipt of goods, IDEAL Automotive inspects the shipping containers for damage. Here, too, shipping containers that show signs of damage or defects must not be used to ship the parts. The supplier must not independently sort out damaged IDEAL Automotive-owned containers. The supplier must clearly mark affected loading equipment and return it after consulting with IDEAL Automotive. Costs will be borne by the supplier, the freight forwarder, or IDEAL Automotive in accordance with the polluter-pays principle.

IDEAL containers may only be scrapped after prior consultation. Otherwise, the supplier will be charged an amount equal to the replacement cost.

Misuse of Loading Containers

The misuse of load carriers owned by IDEAL Automotive or its customers is not permitted.

In the event that misuse is discovered, IDEAL Automotive reserves the right to bill the supplier for the misappropriated load carriers and to pass on to the supplier any additional expenses incurred due to a shortage of containers.

LIST OF ABBREVIATIONS FOR LOGISTICS REQUIREMENTS

EDI	Electronic Data Interchange
VDA	German Association of the Automotive Industry
ERP	Enterprise Resource Planning
DFÜ	Remote Data Transmission
DIN	German Institute for Standardization
ISO	International Organization for Standardization
TS	Technical Specification
Regulation	Regulation
EC	European Community
EU	European Union
MW	Reusable
KLT	Small load carrier
GLT	Large load carrier
PP	Polypropylene
LM	Loading equipment
SLT	Specialized load carriers
IPPC	International Plant Protection Convention
SOP	Start of Production
EOP	End of Production
LAB	Delivery Call
FAB	Detailed Call-Off
ASN	Advanced Shipping Notice

OTHER

CONTINUOUS IMPROVEMENTS

GENERAL

Continuous improvement is one of the principles of our quality system. It is crucial that IDEAL Automotive continually strengthens its market position. The significant impact that our suppliers have on IDEAL Automotive's performance in terms of products and services requires the implementation of the principle of continuous improvement throughout the entire supplier organization. Continuous improvement by suppliers must encompass: the quality of parts, service (i.e., lead time, delivery, technical capabilities, and cooperation), and price. This requirement does not replace the need for innovative improvements.

The supplier must develop specific action plans for the continuous improvement of processes that are critical to the customer. Once process stability and adequate process capabilities have been demonstrated, the processes can be selected and monitored.

Extending the corporate principle of continuous improvement to all business processes means identifying key performance indicators for these processes. This includes characteristics that can only be assessed using qualitative attribute data. In this context, continuous improvement refers to refining the methodology and comparing it with measurable goals.

To effectively implement the continuous improvement process, the supplier must continually expand its knowledge of established measures and methodologies for process analysis, monitoring, and evaluation.

CONTINUOUS PROCESS IMPROVEMENT

Regardless of the capability requirements for process capability, continuous improvement is given the highest priority for significant and critical characteristics. The supplier must identify opportunities to improve quality and productivity and implement appropriate improvement projects.

Examples include the following:

- Machine downtime, machine setup times, tool change times, overtime required for modifications and machine tuning
- Reduction of cycle times

- Scrap, rework, and repairs
- Use of floor space without adding value
- Excessive part variety
- Waiting and idle times
- Waste of Labor and Materials
- Excessive costs due to poor quality
- Difficult assembly or installation of the product
- Optimization of handling in the flow of goods
- Insufficient capabilities of the measurement systems
- Lack of customer satisfaction

SERVICES

IDEAL Automotive expects on-time delivery of goods as well as cooperative and flexible responses to last-minute requests.

WARRANTY, PRODUCT LIABILITY, INSURANCE

Unless a longer warranty period is agreed upon or required by law in a specific case, the warranty period for all products delivered to IDEAL Automotive is 24 months from the date of delivery of the parts/materials.

The supplier is aware that both it and IDEAL Automotive are suppliers in the consumer goods supply chain. The rights set forth in Sections 478 and 479 of the German Civil Code (BGB) apply both to IDEAL Automotive and to the supplier.

The supplier shall bear any incidental warranty costs incurred by IDEAL Automotive.

IDEAL Automotive expects the supplier to familiarize itself with the Product Liability Act and, consequently, with the obligations arising therefrom.

IDEAL Automotive recommends that suppliers obtain product liability insurance to cover claims for damages.

IMDS AND REACH

IMDS

IMDS (International Material Data System) is based on national and international norms, standards, laws, and regulations, as well as OEM-specific requirements, and serves, among other things, to protect the environment. Every vehicle manufacturer and supplier is required to provide data on the composition of materials and products.

Unless otherwise agreed, the supplier must provide IDEAL Automotive with the IMDS data for all parts, including catalog and standard parts.

The supplier must enter the IMDS data into the system as part of the sampling process. In the event of changes that result in a change of index, the IMDS must be updated to include data on “conflict minerals.”

REACH

The EU chemicals regulation REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals), which took effect on June 1, 2007, aims to protect human health and the environment from potential risks associated with the use of chemicals. REACH applies to all products manufactured in or imported into the European Union. A one-time sample test does not exempt a supplier from ongoing monitoring. Furthermore, the supplier must monitor the Candidate List (substances of very high concern) and inform IDEAL Automotive in a timely manner of any changes.

The supplier is aware that a violation of REACH regulations or the absence of early-warning systems may result in a product recall or penalties. In such a case, the supplier is liable for all

100% responsible for the associated costs. With the enactment of the “Dodd-Frank Act,” suppliers are required to provide the requested information regarding “conflict minerals.”

For projects (outside the OEM business) that do not require IMDS data, a declaration of conformity must be submitted as part of the PPAP package.

RELEVANT DOCUMENTS:

IDEAL-Automotive Description:

- Appendix 1: Conducting a Self-Audit
- Appendix 2: Conducting a Product Audit
- Appendix 3: Potential Analysis
- Appendix 4: VDA 6.3 Process Audit
- Appendix 5: D/TLD Audit Documentation
- Appendix 6: PSCR Job Description
- Additional IDEAL Automotive documents for successful collaboration are available on the supplier portal:

https://www.ideal-automotive.com/lieferantenportal/

APPENDIX 1 TO THE MANAGEMENT GUIDELINE FOR SUPPLIERS — SELF-AUDIT

GENERAL INFORMATION:

The self-audit based on VDA 6.3, including the supplementary requirements of VW AG (if components have been ordered by VW AG), serves as the supplier's evidence of compliance with all requirements (legal, regulatory, customer- and product-specific, the supplier's own requirements, and the provisions of the certification standards ISO 9001, ISO/TS 16949, and IATF 16949 (in their currently valid editions) at the respective production site for the respective product group).

To this end, the rules for the overall process audit evaluation must be taken into account. Forms for the self-audit evaluation can be requested from IA Q-Management and are available for download on the website www.ideal-automotive.com.

The evaluation is based on a comprehensive review of the questionnaire. The supplier's self-assessment is an integral part of the continuous improvement process and aims to achieve an "A" rating. Following a self-assessment resulting in an "A" rating, IDEAL Automotive reserves the right to conduct a process and product audit at the supplier's facility to verify this assessment. The current IA supplier evaluation is decisive for the supplier's rating.

If an "A" rating is not achieved through the self-audit within a reasonable period of time, IDEAL Automotive reserves the right to conduct an audit at the supplier's facility. If the supplier fails to meet the "A-rating" requirement through self-qualification for reasons demonstrably attributable to the supplier, the costs of the IA audit will be billed to the supplier.

IA may require the completion and submission of a self-audit, including an improvement

plan, at any time if circumstances warrant it.

CONDUCT

The self-audit must be conducted by certified VDA 6.3 auditors. This requirement
is fulfilled with a "Certified Process Auditor

VDA 6.3." Alternatively, training as a quality auditor—for example, in accordance with EOQ guidelines, including an exam and a personnel certificate issued by

Certificates issued by appropriately accredited certification bodies are accepted. These certificates are valid for a limited time and are renewed only upon demonstration of audit experience.

These basic qualifications are recognized only with additional proof of VDA 6.3 training.

The supplier is required to internally verify the effectiveness of the improvement program as part of the self-audit. IA expects its suppliers to conduct self-audits that go beyond the agreed-upon scope of requirements for the improvement programs in order to meet the standards for self-qualification. The self-audit must be conducted as a process audit with a parallel product audit. Outsourced processes must be taken into account. For the overall assessment of quality capability, the rules governing the process audit must be applied.

IA requires its suppliers to conduct a self-audit at least once a year (with a maximum validity period of 12 months) for all process steps related to the product groups ordered by the customer.

The self-audit must be sent to the customer upon request.

APPENDIX 2 TO THE SUPPLIER MANAGEMENT GUIDELINES - PRODUCT AUDIT

GENERAL INFORMATION

Process variations and a lack of process capability often affect product quality and, consequently, customer requirements. A product audit can identify deviations from customer requirements and help determine which processes are influencing them. By taking identified deviations into account, the affected processes can be analyzed in a targeted manner, and corrective actions can be implemented.

IMPLEMENTATION AND MEASURES

The supplier is required to conduct the product audit in accordance with VDA 6.5. These audits must be conducted by trained personnel (VDA 6.5 auditor training).

For each mass-produced product, a product audit must be conducted at least once every 12 months. To simplify the process, product groups or product families may be formed from the overall portfolio of manufactured products (similar to VDA 6.5).

The product audit must be specified in the production control plan. IDEAL Automotive primarily conducts product audits in parallel with process audits at the supplier's facility in order to evaluate key product characteristics from the customer's perspective and identify critical processes.

During self-audits and process audits conducted by IDEAL Automotive, a product audit is carried out in parallel during series production. The results of the product audit must be taken into account in the assessment of quality capability.

DEFECT CLASSIFICATION, DECISIONS, ACTIONS

If nonconformities are identified during the product audit, the supplier is required to immediately implement appropriate corrective actions and to verify their sustainability and effectiveness within a reasonable period of time, e.g., through a follow-up audit (see Table 1).

Defect Class	Defect Description Impact	Immediate Action	Follow-up Actions
A	An error will certainly lead to a customer complaint. Security risk, legal violation, Unsaleable product—does not fulfill its function Extreme surface defects	Blocking/rejection of existing parts Notification to customer plants and risk assessment Corrective actions in the manufacturing/inspection process; full inspection if necessary Stricter inspection procedures for the process and the finished product; if necessary, 100% inspection prior to shipment Request for a deviation permit Must be submitted to the IA project manager Further measures to be coordinated with the IA customer plant	Further analyze process and inspection activities Develop and implement corrective actions Demonstrate process capability and zero defects Effectiveness Review of Implemented Measures If necessary, initiate a specification change Initiate
B	Significant impairment, obstruction, significantly outside specified standards Unpleasant, disruptive, customer complaints are expected Deviation from specifications Disruptions to operations during IA are possible		
C	A conspicuous complaint is criticized by IA. IA complaints and disruptions to operations are to be expected in the event of a high frequency of	Notification to the IA acceptance plant to coordinate corrective actions	

REPORTING REQUIREMENTS, VOLUNTARY DISCLOSURE

In the event of A and B defects, as well as systematic C defects, the supplier must immediately notify the responsible IA Quality Assurance department by means of a voluntary report. The implementation of any further necessary measures must be coordinated.

APPENDIX 3 TO THE MANAGEMENT GUIDELINES FOR SUPPLIER POTENTIAL ANALYSIS

OBJECTIVE AND PURPOSE OF THE POTENTIAL ANALYSIS

The potential analysis is conducted by IA auditors in accordance with the procedure described in VDA 6.3.

It is used to evaluate new, unknown suppliers and unknown locations. It is used to prepare for the award decision based on comparable manufacturing processes and products.

The potential analysis covers the parts or product groups specifically identified by Procurement, as well as their corresponding processes.

A positive assessment of a potential analysis does not necessarily lead to a decision to award the contract. A negative assessment of a potential analysis precludes the award of the contract.

PREPARATION FOR THE POTENTIAL ANALYSIS

To gather information, the IA procurement department requests a supplier self-disclosure form from the potential supplier. The supplier self-disclosure form becomes part of the potential analysis. The applicant

Ensures that all relevant processes and documents are available to the audit team at the time of the potential analysis.

PROCEDURE FOR A POTENTIAL ANALYSIS

The requirements checklist from the potential analysis is used to ensure a systematic and reproducible analysis. The requirements checklist consists primarily of selected questions from process elements P2–P7 of VDA 6.3. From a process perspective, additional requirements can also be specified on an OEM-specific basis based on IA's request documents.

The evaluation is conducted using the traffic-light system described in VDA 6.3. A potential analysis with a green or yellow rating corresponds to a "B" rating in quality capability.

REPORT AND IMPROVEMENT PROGRAM

The supplier is required to submit a binding schedule, including implementation dates and follow-up activities, to the responsible IA Quality Assurance department by the scheduled award date.

If the contract is awarded, the nominated supplier must implement the improvement program by the specified deadlines. The supplier must demonstrate the effectiveness of the measures through a self-audit at the agreed-upon time prior to the SOP, and must provide the results of this self-audit to the responsible IA Q-Management without being asked.

APPENDIX 4 ON MANAGEMENT GUIDELINE FOR SUPPLIERS - PROCESS AUDIT

GENERAL

The process audit is used to assess the quality capabilities of suppliers.

It is based on the IA requirements and those of the end customer for products or product groups and the associated manufacturing processes. This also applies to parts purchased from suppliers and outsourced processes.

Inadequate compliance may call into question an existing certification of the quality management system
and result in a “new business on hold” classification by IA

PROCESS AUDIT IN SERIAL PRODUCTION

A process audit in mass production requires that the product development process (product/process development) has been completed and takes into account customer satisfaction and the supporting processes.

The implementation of specified measures following the completion of the product development process is required and verified during the audit.

Audits of series production—excluding process development—may be conducted at the start of series production (SOP) or throughout the entire manufacturing period.

The process audit is conducted in accordance with VDA 6.3 and uses the

questions related to the following process elements:

· P5: Supplier Management

· P6: Process Analysis/Production

· P7: Customer Support, Customer Satisfaction, Service.

OEM-specific requirements must be taken into account for each individual question.

EVALUATION OF PROCESS AUDIT RESULTS

The evaluation procedure is described in VDA Volume 6.3.

Results from product audits conducted in parallel are taken into account. The grading rules listed in VDA Volume 6.3 apply to the determination of the overall quality capability score.

UPGRADE CRITERIA

An upgrade can only take place following a customer audit at the supplier's manufacturing site after the successful, sustainable implementation of the improvement measures

. An upgrade from "C" to "B" occurs only if the IA audit result includes a
A rating of "stable B" (i.e., a compliance rate of 85% or higher; see VDA 6.3) was assigned.

APPENDIX 5 TO THE MANAGEMENT GUIDELINE FOR SUPPLIERS – D/TLD AUDIT

GENERAL INFORMATION

Automobile manufacturers are subject to legal requirements that must be met as minimum standards for all production vehicles. This also results in a documentation requirement for suppliers, which is intended to protect both the supplier and the automaker from consequential damages—such as sales bans and contractual penalties—despite strict liability (product liability) (tort liability; see the laws of the states in which the customer's vehicles are sold).

In order to adequately comply with producer liability, the customer's obligation to provide evidence has been extended beyond the legal framework to include so-called "functionally critical parts."

In addition to the general requirements for the quality management system, the supplier must maintain part-specific quality records for D/TLD parts and archive them for at least 15 years after the last production run (see VDA Volume 1). These include technical documentation marked with "D" or "A1," such as drawings, tables, production approvals, technical delivery conditions, inspection specifications, sample reports, and other quality records that may be requested as evidence and could serve as exculpatory evidence.

Evidence of quality also includes documentation regarding planning activities, the selection and qualification of personnel, the suitability of testing facilities, as well as process capability studies and correspondence. In the event of damage or at IA's request, the supplier must be able to demonstrate that it has fulfilled its duty of care as a business to prevent defects in the product. Suppliers are required to apply this system to every D/TLD part (A1 part) to be delivered.

To verify compliance with the relevant requirements, the supplier must, in accordance with the current D/TLD questionnaire (see applicable documents at www.ideal-automotive.com), conduct and document a site-specific D/TLD self-audit every 12 months, with a maximum validity period of 12 months, under its own responsibility.

The supplier is required to apply this procedure in the same manner to its supply chain, purchased parts, and outsourced process steps. The date of the most recent successful D/TLD self-audit must be submitted to the IA quality manager at the time of sampling.

If any deficiencies are identified during the inspection, the supplier is expected to implement the necessary corrective actions immediately and on its own.

The supplier shall verify the implementation of the corrective actions and their effectiveness by conducting another D/TLD audit independently. Documentation of this process must be maintained.

The results of D/TLD self-audits must be archived for at least 15 years and kept available at all times for verification by IA or its customer. Evidence of the supplier's activities to ensure and maintain compliance with quality requirements must be available at all times. When maintaining this evidence, all specifications in accordance with VDA Volume 1, ISO/TS 16949, IATF 16949, and the OEM's customer-specific requirements must be taken into account.

IA reserves the right to verify suppliers' compliance with the requirements through a process audit, D/TLD audit, or other supplier visits.

Upon request, the results of the D/TLD self-audits must be provided to IA.

PRODUCT GROUP DEFINITION / PART SELECTION

The supplier must ensure that all parts subject to documentation (D/TLD), or all specified characteristics subject to documentation, are treated as critical parts/characteristics. During the audit, representative parts must be selected for each characteristic requiring documentation across all D/TLD scopes to be delivered, for which compliance with specified requirements must be demonstrated through process and product audits. The reference parts are selected from a supply list titled "Parts Requiring Verification for the Customer," which the supplier must keep constantly up to date. The sample size for the product audit must be determined appropriately for the part and the characteristic to be tested, i.e.,

that a selection of parts is made from the delivery list as an example, taking into account all characteristics for which documentation is required.

In addition, as a recognized specialist in its product and the manufacturing process, the supplier is required to identify features—beyond those already specified by the customer—that it considers relevant to functionality and safety.

EVALUATION OF INDIVIDUAL QUESTIONS / AUDIT RESULTS

Each applicable question is evaluated for consistent compliance, including in process validation, as follows:

- Circumstances
- Evaluation
  - Requirements fully met: Yes
  - Requirements not met or only partially met: no

All applicable requirements must be met; any nonconformities must be corrected by the supplier through a corrective action program.

If the supplier identifies deviations that could directly affect product quality (e.g., missing testing equipment), the supplier must define immediate corrective actions (e.g., external testing) to ensure that the product is safeguarded immediately.

If the supplier is still unable to meet the requirements, it must immediately notify the IA customer plants receiving the delivery and its contact person in IA's Quality Management

without delay.

AUDIT REPORT / IMPROVEMENT PROGRAM

The report includes the following documents and supporting evidence:

Cover sheet “Quality Audit: Documentation of D/TLD Parts” specifying the selection of parts, the D/TLD characteristics, the results of the product audit (within a validity period of no more than 12 months), and compliance with characteristics requiring documentation; specification regarding

Immediate actions required when customer requirements are not met; setting a timeline for any necessary improvement program (completion date for all measures to be implemented).

List of Requirements for Documentation of D/TLD Parts with Evaluation

If any deviations from the requirements in the list of requirements are identified, an improvement program must be established (specifying the weaknesses/actions, the deadline for rectification, and the responsible party).

For components in the pre-production phase, the supplier must ensure that all issues are resolved by the 0 series.
(Schedule Note 1: Sample Submission) have been answered with “Yes.”

For components in series production, the supplier must immediately define corrective actions upon detection of any deviations and inform the quality assurance department of the accepting IA plant.

Failure to comply with the above points will result in a downgrade of quality capability.

The identified deficiencies must be corrected by the specified date.

Product audit summary(ies) containing the audit results for the selected parts, including all D/TLD characteristics that must be specifically marked.

The systematic and consistent approach to documentation is reviewed and evaluated on a random basis during D/TLD self-audits conducted by the supplier and by IA as part of process audits.

LABELING OF TECHNICAL DOCUMENTATION

IA offers customer-specific labeling options, as well as IA's own labeling
“A1” .

If the supplier uses identification codes other than those listed above for its documents and records, it must maintain a correlation table for the above-mentioned identification requirement (e.g., a summary matrix listing the identification codes for all customers and the internal identification code) as controlled master documentation.

APPENDIX 6 ON MANAGEMENT GUIDELINE FOR SUPPLIERS - RESPONSIBILITIES OF THE PSCR

RESPONSIBILITIES OF THE PRODUCT SAFETY OFFICER / PRODUCT SAFETY & CONFORMITY REPRESENTATIVE (PSCR) AT THE SUPPLIER'S SITE

As a supplementary document to the Supplier Management Policy, the Supplier Management department of IDEAL Automotive GmbH describes here the role of the PSCR and his or her deputy at the supplier.

KNOWLEDGE

1.1 regarding the manufactured product:
How it works, detailed manufacturing at our own facility, and intended use by the customer

1.2 Regarding the Product Safety Act and the Product Liability Act

1.3 Knowledge of risk assessment methods

RESPONSIBILITIES

2.1 Contribute to, develop, and set priorities for eliminating or preventing product safety-related defects during the product development phase (defect prevention)

2.2 Collaborating on, initiating, and verifying design/process FMEA analyses for

safety-related aspects

2.3 Collaboration on "lessons learned" initiatives during new product launches to prevent product safety-related errors in manufacturing, assembly, and testing processes

2.4 Creation of "lessons learned" checklists for the qualified review of designs and processes from a product safety perspective

2.5 Independently conducting or arranging for regular production and product inspections of the current production run to confirm product safety for use (including foreseeable misuse) and initiating and

following up on (immediate) corrective actions in the event of relevant deviations

2.6 Assessment of the probability and frequency of failure of the affected product in the event of a defect

2.7 In the event of a complaint, the planned corrective actions must be verified to ensure their rapid implementation and long-term effectiveness. The effectiveness of the measures must be confirmed in writing by the supplier's PSCR

2.8 Communication (including voluntary reporting) is handled by the customer's IA Plant-Q representative (IA Plant-Q), including the transmission of all details. The PSCR ensures the quality of the information (clear details regarding the failure pattern, scope, probability of occurrence, etc.) as well as the confidentiality of the communication.

RESPONSIBILITIES

3.1 The PSCR reports directly to management, the plant manager, or the head of quality assurance

3.2 Initiation of component suspensions for the current production series, including in cases of complaints related to safety and brand image (even if these jeopardize series production for safety reasons), including authority over test bench testing, validation, etc. …

3.3 A PSCR must be designated for each stage of the supply chain at each manufacturing facility. The following information is required for the **Product Safety Representative** and the **alternate**:

Last name, first name, phone number, mailing address/email address, position

Please send the information by email to the IA Group's purchasing manager and notify them of any changes as well.