CUSTOMER SPECIFIC REQUIREMENTS

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MCF

SIGNATURES PAGES

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COMPA'S CEO STATEMENT

COMPA S.A. SIBIU PURCHASING POLICY

Our company spares no effort in assuring and improving the quality for the manufactured products.
Our purpose is to strengthen our position on the market through superior quality of our products and by continuous improvement of the services we provide to our worldwide customers, and the competitiveness offered by our prices.

We consider that the basic requests that lie at the base of the development of our relations is to introduce improvement programs to our suppliers in the next fields:

- ***Supplier's organization according to a series standard reference in order to fulfill the requirements of the latest of any of the following series standards ISO 9001 or IATF 16949, which are specific in product's development forwarded to COMPA S.A;***
- ***Quality policy with "0 defects" objective***
- ***Logistics policy with "0 delays" objective***
- ***Environmental policy and compliance with legal rules having "0 waste" as objective***
- ***Production policy with "0 loses" objective***
- ***Costs reduction policy***

One of the main components it's represented by quality of the products we buy:

- ***materials***
- ***consumables***
- ***packaging***
- ***services***
- ***specific acquisitions***

Under this aspect and in the actual field of competition, our wish is to have our suppliers aligned to the precise quality assuring and improving requirements for the products they deliver to us. We intent to influence in a major way our acquisition activities under the following aspects:

- ***Evaluation, selection, validation and performances monitorization in order to include and maintain on the Supplier's Accepted List only those suppliers that correspond to our quality requirements***
- ***Monitorization of the supplier in order to ensure that they complies with our requirements in developing and manufacturing new products***
- ***Maintaining of a permanent evaluation, rating and selection system of suppliers for the series products***
- ***Suppliers planning and development under the aspects: complying with the delivery planning, 100% delivery on tine, on the spot information about the delivery status, corrective measurements planning and assuming them.***

Because the nature of the products we buy affects directly the quality of our products and in the spirit of the agreement taken by each other of continuous improvement we created the "Supplier's Quality Management" manual, which strictly explains our requirements related to those above mentioned and which we believe to be useful to our supplier giving him the opportunity of manifesting the competitiveness and quality of his products.

GENERAL MANAGER

Ing. Ioan DEAC

COMPA S.A. implemented a quality system according to the series standard IATF 16949 requirements and need to assure the selection, approval and its supplier's monitorization according to the quality of the supplied products. Those requirements are presented as follows:

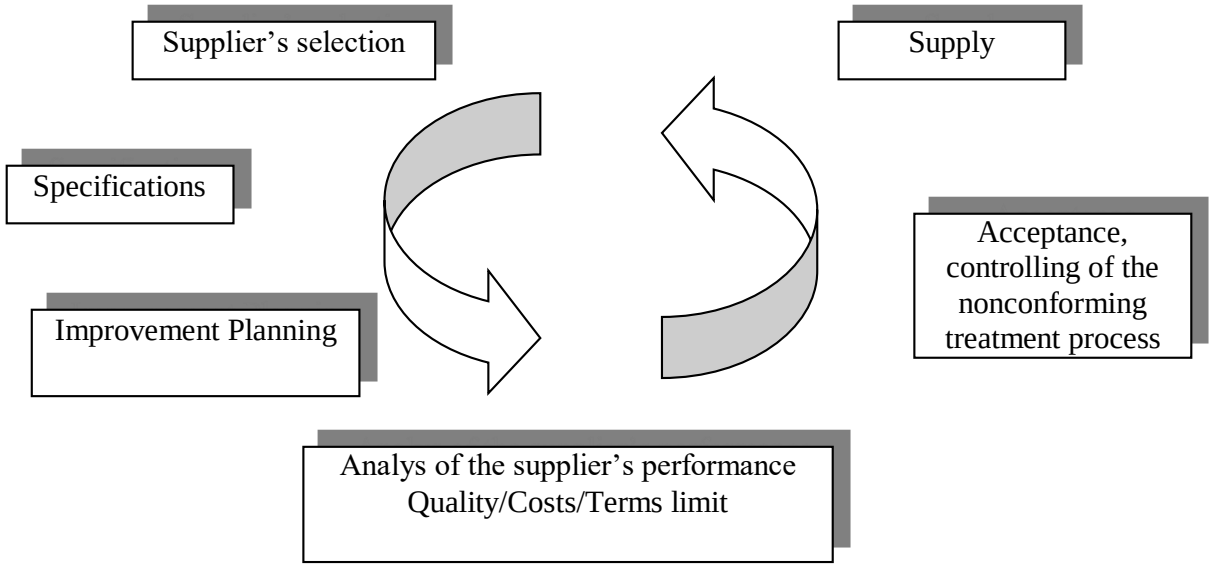


Fig. 1-1

For automotive parts fabrication, there are several specific requirements and regulations of the great producers (for example IATF 16949), regulations which COMPA S.A assumed (having a Quality system certified according to IATF 16949) and which at its turn must transmit them to its suppliers.

In order to maintain our customer satisfaction and trust in the quality of our products, COMPA S.A collaborates with suppliers that agree with the imposed quality conditions and which make the proof of applying the mentioned conditions.

Elements through which the supplier's management is assured inside COMPA S.A are:

- Initial evaluation and supplier's rating
- Supplier's developments monitorization
- Supplier's planning
- Setting the supplying data's
- Customer's check of the subcontracted products.

The content of this "Supplier's Quality Management Manual'' – MCF is based upon the ISO 9001:2015 and IATF 16949:2016 quality standards. Additionally, COMPA's requirements not covered by the quality standards, are documented in the corresponding sections.

The IATF 16949 standard is a supplement to ISO 9001 so in the below sections ISO 9001 clause numbers are referenced.

1. *Purpose*

Determine in which way must be proceed, when COMPA will supply with:

Materials
Consumables
Packaging
Services
Specific acquisitions

NOTE: According to the supplied products or services, please refer to the compulsory regulations presented in "Field of use for Supplier's Quality Management Manual".

2. *Field of use for Supplier's Quality Management Manual*

This Manual is valid for all suppliers that execute prototypes, components, production materials, series and changeable parts and any kind of remaking, services provision and design-development activities. The field of use for this standard, the relevance of the individual requirments raported to the nature of the deliveries made by sypplier to COMPA, can be established with the help of the table found below. In the case where there is no possible fit, for the case of some new projects, the supplier may convey with COMPA the terms to fit inside a COMPA's supplier's categories.

COMPA's supplier's categories			
CAT.	**Description**	**Explanations**	**Examples**
A	Suppliers whose products are part of Compa' products	Suppliers whose products are part of Compa' products.	Auto components, raw materials
B	Suppliers whose parts are not part of Compa's products but has a direct influence on Quality of Compa's products	The services suppliers are also part of this category	Tools, Sharpening, Surface Treatment, Sorting activities etc.
C	Services suppliers with no innfluence on Compa's product but has an impact on Compa's processes	Services suppliers in specially form environment point of view.	Waste, analysis.

REQUIREMENTS	**A**	**B**	**C**
1 Purpose	**X**	**X**	**X**
2 Field of use for Supplier's Quality Management Manual	**X**	**X**	**X**
3 Quality agreements	**X**	**X**	
4 Contact information of supplier	**X**	**X**	**X**
5 Supplier's Quality Management System	**X**	**X**	**X**
6 Dealing with problems	**X**	**X**	**X**
7 General Purchasing Terms	**X**	**X**	**X**
8 Requirements transfer to sub-suppliers	**X**	**X**	**X**
9 Quality requirements according to the series standard ISO 9001 /IATF 16949	**X**	**X**	**X**
10 Quality objectives	**X**	**X**	
11 Risk Mangement	**X**	**X**	
12 Factories, installations and equipment planning	**X**	**X**	
13 Measurement systems analisys	**X**	**X**	

14 External Laboratory	X	X	
15 Control of records	X	X	
16 Acceptamne Criteria	X	X	
17 Confidentiality	X	X	X
18 Quality Management Certificates	X	X	X
19 Special Characteristics	X	X	
20 Manufacturing Feasibility	X	X	X
21 Design and Development	X		
22 Part approval process	X	X	
23 Supplier slection	X	X	
24 Cheking the supplied product	X	X	X
25 Reglementation conformity	X	X	
26 Management system of suppliers	X		
27 Indentification and Trasability	X		
28 Controlled shipping	X	X	
29 Tool owened by customer	X	X	X
30 Control of changes	X	X	
31 Measurement and monitoring of processes	X	X	
32 Concession request from customer	X	X	X
33 Control of non-conforming product	X	X	
34 Customer satisfaction	X	X	
35 Non-conformity and corrective actions	X	X	X
36 Environment	X	X	X
37 Abreviations	X	X	X

3. Quality agreements

To reach to a convention with supplier, corresponded to the product, its fabrication process and legal rules of working and utilization, the supplier is obliged to close a ***"Quality and Environment Agreement"*** with COMPA

4. Contact information of supplier

At the beginning of the project or before the series delivery, supplier is requested to send an organizational chart or a list of contact persons to COMPA; Communication between COMPA and supplier will be made in Romanian language, or if not possible, through a language of international use, preferably English.

5. Supplier's Quality Management System (pct. 8.4)

COMPA asks that its suppliers, through the presentation of their specific certification granted by a accreditated certification company, to proove that they apply a Quality Management System that works according:

- **ISO 9001** (Minimum request)
- **IATF 16949**

COMPA reserves its right to evaluate the quality supplier's capacity based on an system audit and/or process audit. Plus, COMPA reserves its right to visit (eventually accompanied by COMPA's customer) supplier's facilities, at a date agreed before.

The supplier is obliged to send to COMPA its actual certification status, by sending a copy of the certificate. Any modifications must be announced in 15 days terms to Purchasing Department inside COMPA.

6. Dealing with problems

COMPA expects to be announced immediately in case a suppliers faces a problem that might affect COMPA or COMPA's customer. Afterwards, supplier must proove that he eventually removed for a certain amount of time the problem's causes. If the case, COMPA may be entitled to ask for a repetation of the first sample. The suppliers will be asked to use proper means of solving the problems such as: "8D Report", "Fishbone diagram", "5 Why Analyze? " or any other similar.

Supplier must have all the investigation instruments/methods prepared and adequate for the case, or for deliveries, or , if the case, to ask for external support (institutes, laboratories) on his expense. The investigation process itself must be described and implemented.

8D Report will be used in dealing with supplier's problems. COMPA reserves the right to initiate, in the justified cases, special measures (sorting, special transportation, assembly and disassembly, purchasing from a third part etc.) in the purpose of continuing the on-time delivery and production terms of the products to the customer. The supplementary costs initiated, in such cases, including the supplementary costs due to special actions taken by COMPA's customers will be transmitted to the supplier.

This is valid even in the case of delayed deliveries or none at all.

The supplier is obliged to implement and to maintain appropriate strategies of necessity , according to requirments IATF 16494 or ISO 9001, and to plan and to have an appropriate safety stock. No matter the situation, COMPA awaits from the supplier's side an time reaction in order to avoid a fabrication stop at COMPA or at its customer. COMPA struggle to inform as soon as possible its supplier, regarding possible supplementary costs , and generally follows the principle of minimizing the damages.

7. General Purchasing Terms

Are valid for all vendor deliveries, to the extent otherwise agreed with COMPA, "General Conditions of Purchase COMPA" and other useful documents which can be consulted on: http://compa.ro/supplier-information?lang=en.

8. Requirements transfer to the sub-supplier

Supplier is obliged to forward all relevant requirements of COMPA requests and COMPA Customer requests to its subcontractors and to pursue their compliance.

9. Quality requirements according to the series standard ISO 9001 / IATF 16949

In relation with COMPA, and products delivered by supplier shall comply with ISO 9001 (minimum requirement) / IATF 16949 and methods AIAG manuals - the last edition

- APQP –Advanced Product Quality Planning and Control Plan;
- PPAP –Production Part Approval Process;
- FMEA – Potential Failure Mode and Effects Analysis;
- MSA – Measurement Systems Analysis;
- QSA – Quality System Assessment;
- SPC – Statistical Process Control.

10. Quality objectives (pct.5.2)

COMPA establishes with its customers and suppliers, quality objectives committed to target "zero-defects" in dealing with COMPA. If the target of "zero defects" is not done soon, COMPA together with the supplier will set intermediary targets of PPM's for a certain limited period of time, these targets will be set in "Quality and the Environmental Agreement" or will be provided and submitted at the beginning of each year.

COMPA will send periodically (three months) results of monitoring this indicator, and if they exceeded the targets, the supplier is obliged to prepare a Corrective Action Plan to be placed in the agreed targets.

Agreeing on the boundaries of PPM does not graduate the supplier of its obligations relating to process the complaint and to continuously improve the product.

This does not absolve the supplier of obligations relating to warranty and claims for supply compound losses due to faulty.

11. Risk Mangement (pct. 6.1)

Supplier shall assess potential risks that may disrupt its production and/or shipments. Suppliers must develop and maintain a process which respect those risks. These can be:

-Natural disasters, public health issues, etc.
-Fires, explosions, utility issues
-Quality and quantity issues at sub-suppliers
-Strike, labor issues
-IT infrastructure issues
-Regulatory or compliances issues, etc.
Supplier's process shall define preventative measures, immediate responses, recovery steps, and timing to resume production of a quality product supplied to Compa.

12. Factories, installations and equipment planning (pct. 7.1.3)

The supplier must identify critical processes and technologies within its production, and do a job analysis bottleneck. Appropriate measures must be taken in order to achieve the necessary quantity and capability of process (detailed planning, process analysis, identification and establishment of "special features" - important features of process and important parameters of the process, approval of the process for series production, control and regulation processes, immediate measures in case of deviations, etc.).

13. Measurement system analysis (pct. 7.1.5)

Supplier must take actions in a such way that the capability of mesurement equipment to be assured at any moment and the values to be known. This requirment is espacialy for:

- Measurmenet equipment to be adeaute for the specific aplication
- Precision and accuracy
- Capability of measurement equipments (reference MSA), especialy for critical characteristics..

Supplier must organize the control of measurement equipment in order to capable and in proper working conditions.

14. External Laboratory (pct. 7.1.5)

If the provider appeals to conduct inspection services, testing or calibration in an external laboratory, it must be accredited according to ISO 17025 or a national equivalent.

15. Control of records (pct. 7.5.3)

Supplier must define, document and implement a policy of keeping the records. The control of records must satisfy the legal requirements and customer requirements. Approvals of parts for production, records of tools (including maintenance and ownership), product and process design records, orders (when applicable) or contracts and amendments must be kept for as long as the product is active for production and service requirements, plus one calendar year, unless otherwise indicated by the customer or a regulatory body

16. Acceptance criteria (pct.8.1)

For sampling by attributes, acceptance level should be zero defects. Where appropriate, standard part will be used instead.

17. Confidentiality (pct.8.1)

For COMPA, a supplier of automotive components, it's inevitable with development partners to conclude an agreement on exchange of information privacy. In this way suppliers will conclude with COMPA a "Privacy Policy Agreement"

18. Quality Mangement certificates (pct. 8.2.1)

Supplier shall inform Compa if Quality Cerftificates ISO 9001 or IATF 16949 or Environmental or OSH certifications was modified or "on suspension''. Supplier shall inform Compa if there are any plan regarding changing the certificates.

19. Special characteristics established by customer (pct. 8.2.3.)

COMPA establishes so-called "special characteristics" – characteristics of importance for COMPA or COMPA's clients regarding safety, functionality, machinability and assembly and they communicate them to supplier. To ensure the safety and operation of products, the supplier must identify and mark in every case the important features, in terms of its development process (design) and manufacturing as "special characteristics".

In the case of a COMPA's supplier with a product development, establishing special characteristics is in agreement with the client through FMEA. Product characteristics and process corresponding their manufacturing process must be established and the supplier as well, even when development and design was done by COMPA or by COMPA's clients.

Special features are the basis of AMDE's project sites and process verification of process capability, production planning and control, adjustment process, quality control documents, etc., and must be documented by appropriate methods (for ex. control Statistical Process).

20. Manaufacturing Feasibility (pct. 8.2.3)

If the production volume increase with more than 20%, there will be needed new feasibility studies. The results of this studies will be shared with Compa responsible, upon request. The supplier must have capacity of suppling parts /materials to Compa with 15 % increase, without any investment from Compa side.

21. Design and development (pct. 8.3.4)

Design and product development and process will be made by complying APQP Manual – AIAG. The supplier must keep the documentation of process /product approval for all changes, during the life time of product.

22. Product approval process (pct.8.3.4)

All products and materials used by COMPA S.A. for the manufacture of automotive parts under the regulations ISO 9001 / IATF 16949 should be developed and approved in accordance with requirements of AIAG-PPAP Manual

- The level of submission for approval will be the one requested by COMPA and will be mentioned in order / contract with supplier.
- The supplier can deliver the goods required under series production only after obtaining the approval of the document "***Application for submission of the piece for approval".***
- All documents in file validation that have not been submitted for approval will be made available promptly upon request from COMPA

23. Suppliers selection (pct 8.4)

In selecting suppliers, COMPA evaluates the Quality and Environmental System of the supplier. This evaluation is done by filling the supplier of "***Self Assessment Questionaire*** " or if necessary an audit at the supplier's facility.

Other selection criteria:

• Compliance with technical requirements (drawings, specifications)
• Compliance with the economic (price target)
• Compliance with the logistics (planning, volume 100% of delivery, delivery on time)
• Compliance with legal requirements and use of regulated materials.

If the supplier meets the selection criteria is placed in the "***COMPA's Accepted Suppliers List***"

Supplier must manage its suppliers. It must ensure the quality of the products delivered to Compa as well as the quality and performance of the sub-suppliers delivery. If Compa believes it is necessary to inspect the input of the material, this will be done taking into account the potential risks and impact on the product quality in Compa. When specified by Compa, the supplier must purchase products, materials, or services from sub-suppliers recommended by Compa.

24. Checking the supplied products (pct. 8.4.2)

COMPA expects from its suppliers to supply products which meet the requirements set forth in drawings and specifications. Supplier should provide this through controlled and capable processes and by appropriate verification procedures.
COMPA periodically performs quality checks by sampling the products supplied. The tendency is to give up control in the reception, except for logistics control (consisting of an identity, verification for external damage identifiable, quantity, quality and reliability documents required), full responsibility for any nonconformity belongs to the supplier.

25. Reglementations conformity (pct. 8.4.2)

All products and materials delivered to COMPA must meet the applicable regulations.

26. Sub-supplier's Quality Management System (pct. 8.4.2)

The supplier must determine in turn sub-suppliers to develop their own quality management system. ISO 9001 is minimum requirement

COMPA requires for its suppliers to pay attention to their own supply business. This refers in particular to the following aspects:

- supply documents verification for completeness and unambiguity
- establishing and supervising special features
- marking and tracing
- submission of samples for delivery
- selection of sub-suppliers
- handling of sub-suppliers
- supporting and developing the sub-suppliers (supplier development)
- continuous improvement of sub-supplier

27. Identification and trasability (pct. 8.5.2)

All parts must have a documented traceability from raw materials stage to finished products and shipment of components. The supplier must also ensure the traceability in the larger batches, which are delivered as partial deliveries at COMPA.

Appropriate measures must be provided by the supplier for the requirements above. The traceability documentation for all the parts supplied must be agreed with COMPA.

Supplier must agree with the responsible departments COMPA the packaging methods (ex.: Euro-boxes, containers, pallets, etc.).

The choice of sub-packing, to the extent it's not provided in the instructions for packing, is also the supplier's duty and must be done so:

- goods to be protected against damage, dirt or environmental influences that could negatively influence the quality of goods
- packaging to meet environmental legal prescriptions (returnable packaging)
- to be excluded a possible corrosion of goods delivered
- it prevents an electrostatic charge of the goods delivered
- containers, packaging that can be stored and stacked
- marking of goods for delivery of series shall be so made in order to:

provide an unequivocal identification
- provide traceability
- needs to be done properly (ex.: bar code, if required)

28. Controlled shipping (pct. 8.5.2)

If appropriate, Compa may formally place a supplier on Controlled Shipping. The intent of Controlled Shipping is to implement a rigorous process that protects Compa from the receipt of nonconforming parts and/or material. Controlled Shipping is a formal demand by Compa for a supplier to put in place an additional inspection process to sort for nonconforming material, while implementing root-cause analysis and corrective actions. The Controlled Shipping process is in addition to normal controls.

The following are to be considered for determining the need for Controlled Shipping:
- Repeat Problem Cases
- Duration and severity of the problem
- Customer quality issues
- Major Disruptions/Spills

Based on the above, Compa decides whether Level I or Level II would be appropriate.

Controlled Shipping Levels:
- Level I Controlled Shipping requires an additional inspection process enacted at the supplier's manufacturing facility. The inspection process ensures that Compa will be protected from receipt of nonconforming parts and/or material.
- Level II Controlled Shipping includes the same processes as Level I Controlled Shipping, with an additional inspection process that is completed by a third party. The supplier owns the financial responsibility.

Exit Criteria from CSL of a supplier:
- 3 consecutive deliveries with zero non-conforming material / part
- Evidence regarding implementation of the permanent corrective actions
- Evidence regarding the efficiency of the permanent corrective actions

If a supplier is in CSL, if requested by Compa, must transmit the reports regarding sorting activities anytime is necessary. All communications are done by e-mail.

29. Tools owned by Customer (pct. 8.5.3)

- Maintenance

Tools should be stored properly and protected from any damage. The supplier must perform the actual maintenance work at their own expense tool for maintaining their permanent functionality, to ensure delivery at any time properly. This includes all work related to maintaining the functionality and tools to remove all defects and damage, and all changes and their wear from use. Supplier must show them by completing a maintenance plan, submitted on request to COMPA.

- Tools Modification

Tool changes can be made only after receiving prior written consent of COMPA. If tool changes based on the technical requirements of COMPA are required, a modification amendment is to be made in advance.

- The retourn obligation

On completion of the delivery period, or anytime at the request of COMPA, the supplier must provide the tools to COMPA in a state that allows a series production without any problems.

- Limitation on the use/Marking

Tools can be used exclusively by the supplier to meet delivery obligations to COMPA and, upon request, they must be marked accordingly.

- SDV's Ensurance

Supplier is obliged to ensure, as appropriate, the SDV's paid by the client, against fire, theft, water damage, etc. and give proof of insurance on their own initiative.

30. Control of changes (pct. 8.5.6)

COMPA's supplier must inform as soon as possible on the following changes:
- Changing Characteristics
- Change method / material production (including subcontractors);
- Change equipment / method of verification;
- Relocation of place of production;

Supplier is allowed to implement changes only after verification of efficiency of the changes (re validation of the client's product is obligatory for suppliers of Class A)

All changes brought to the product in the chain of the running process must be documented by the supplier of the product in product's history file that can be sent at COMPA's request

31. Process monitoring and measurement (pct.8.6)

In order to attain and prove process control and capable processes as well, process analysis and appropriate capability studies must be performed on both, short and long term.

This is to be applied in the case of special features mostly.

- For temporary process capability (ppk)/ machine capability minimum 1.67 cmk level
- For long term process capability minimum 1,33 cpk level
- Critical features in terms of safety must be individually defined, along with COMPA
- Equivalent indexes for attributive features must be established along with COMPA

Process capability must be documented here by controlling the parameters which define the process. The level of acceptance for such characteristics is "zero defects".

Adequate actions should be stipulated for the processes which cannot be documented as stable or capable, in order to achieve and ensure conformity to product requirements. (For instance, 100% inspection for significant characteristics in terms of security or important to proper functioning).

Machining processes adjustment should include the surveillance over the product's characteristics, as well as, over the parameters which influence the process. To serve such purposes, where it's possible and adequate, methods like SPC should be implemented. Process parameters and product characteristics which are to be controlled must be documented within control plans.

COMPA requires traceability and process capability evidence at least in terms of critical characteristics from the security and other special features point of view.

32. Concession request from customer (pct. 8.7.1)

The supplier must deliver as according to the drawings and specifications. If, because of minor deviations, it is not able, on a limited time, to do so, a written request for deviation from COMPA may be sent. Deviations can be accepted only if security operation, durability, workability and usage of the parts are not influenced. An exception is always valid only with written permission from

COMPA and is limited to an agreed number of products or an agreed delivery period.

Supplier must obtain the authorization from the customer to re-process the non-compliant product. If subcomponents are reused in the manufacturing process, this shall be clearly communicated to the customer, in the application for derogation or acceptance of deviation.

The supplier must keep a record of the expiry date or the quantity authorized for the waiver. Upon expiry of the exemption, supplier must ensure the conformity of the product or service with the original or with the requirements and specifications. The material delivered under the derogation must be identified for each delivery unit.

33. Control of nonconforming product (pct. 8.7.1)

33.1. Potential nonconformities and deviations detected before delivery to COMPA

In the case of potential nonconformities or deviations from the established object of delivery which the supplier discovers or suspects prior or subsequent to the shipment, but before delivery to COMPA (risk transfer), an immediate reaction on the supplier's behalf should be noted.
In such cases, the supplier should take action, in the order given below:

- Informing COMPA about the nature and volume of nonconformities and/ or suspected or discovered deviations. This also applies to delayed or not performed deliveries, as well as to larger or smaller quantities than the ones required; such information should be immediately directed to the Logistics Dept. in COMPA.
- Shipment/delivery stopping and immediate 1:1 substitution with conforming parts, within the agreed delivery term.

In this context, it is necessary to ensure at all times supplier traceability and its documentation, so that it can be proven on demand.

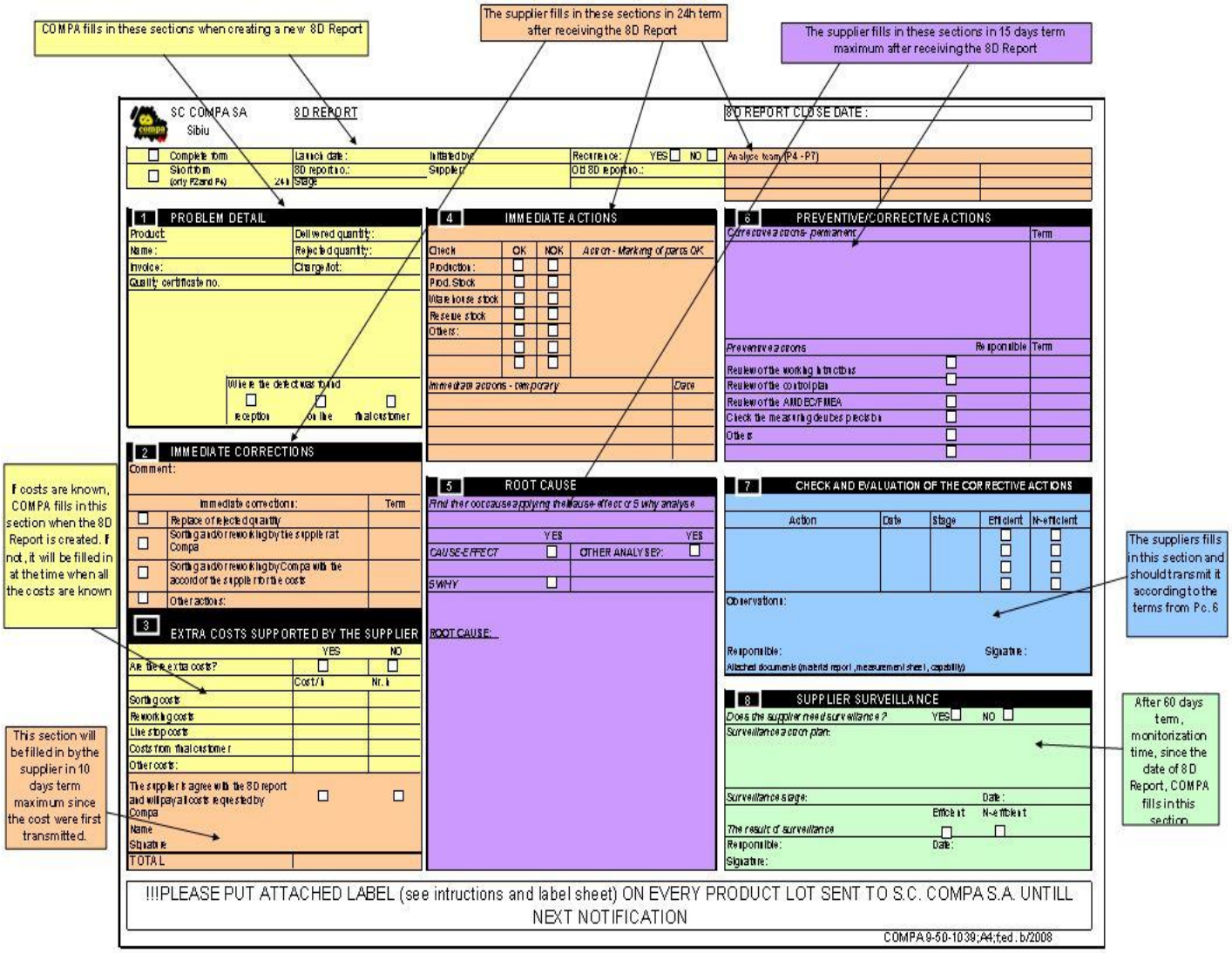
If a proper delivery cannot be replaced within the agreed delivery date, then the supplier needs to receive a written derogation from COMPA, for a limited delivery volume and delivery must be delayed, until a confirmation from COMPA technical department is obtained. COMPA reserves the right to impute the supplier costs from the appropriate actions.

33.2 Deviations identified at control in the reception at COMPA

COMPA periodically performs quality checks by sampling the products supplied. COMPA's tendency is that of giving up control in the reception, except for logistics control (consisting of an identity verification, identifiable external damage, quantity, as well as reliability of the quality documents required), so that the supplier must accept full responsibility for the costs consequent to the corrective actions applied.

In cases where there is a check in the reception at COMPA and deviations are identified, a 8D Report will be sent to the supplier, which must retransmit with immediate and complete way to settle within **24 hours**. COMPA normally prefers solving by replacing nonconforming products on time.In extreme cases, in order to avoid stoppages in manufacturing, sorting and reshuffling products may be applied. These operations can be performed by supplier, by COMPA or a specialized company agreed to by COMPA.The costs of these actions will be borne by the supplier.

Within 15 days, supplier shall retransmit the 8D report completely filled in. Complaint is considered closed only if irregularities do not repeat within 60 days, as evidence that the actions transmitted in the 8D report have been effective



33.3 Deviations identified in the technological flow in COMPA

For irregularities which were identified during processing, assembly, respectively, 8D Report will be sent to the provider is obliged to respond within **24 hours**

Modes can be solved:

- immediately deliver a flawless replacement batch or
- to conduct / organize the sorting on its own expense, or
- to obtain a deviation

Within **15 days**, supplier shall retransmit the 8D report completely filled in. Complaint is considered closed only if irregularities do not repeat within 60 days, as evidence that the actions transmitted in the 8D report have been effective.

In cases a) and b), nonconforming quantities become relevant by ppm. Calculation and are included in the supplier evaluation.

COMPA reserves the right to impute the supplier all the costs for the corresponding actions.

33.4 Cost Recovery

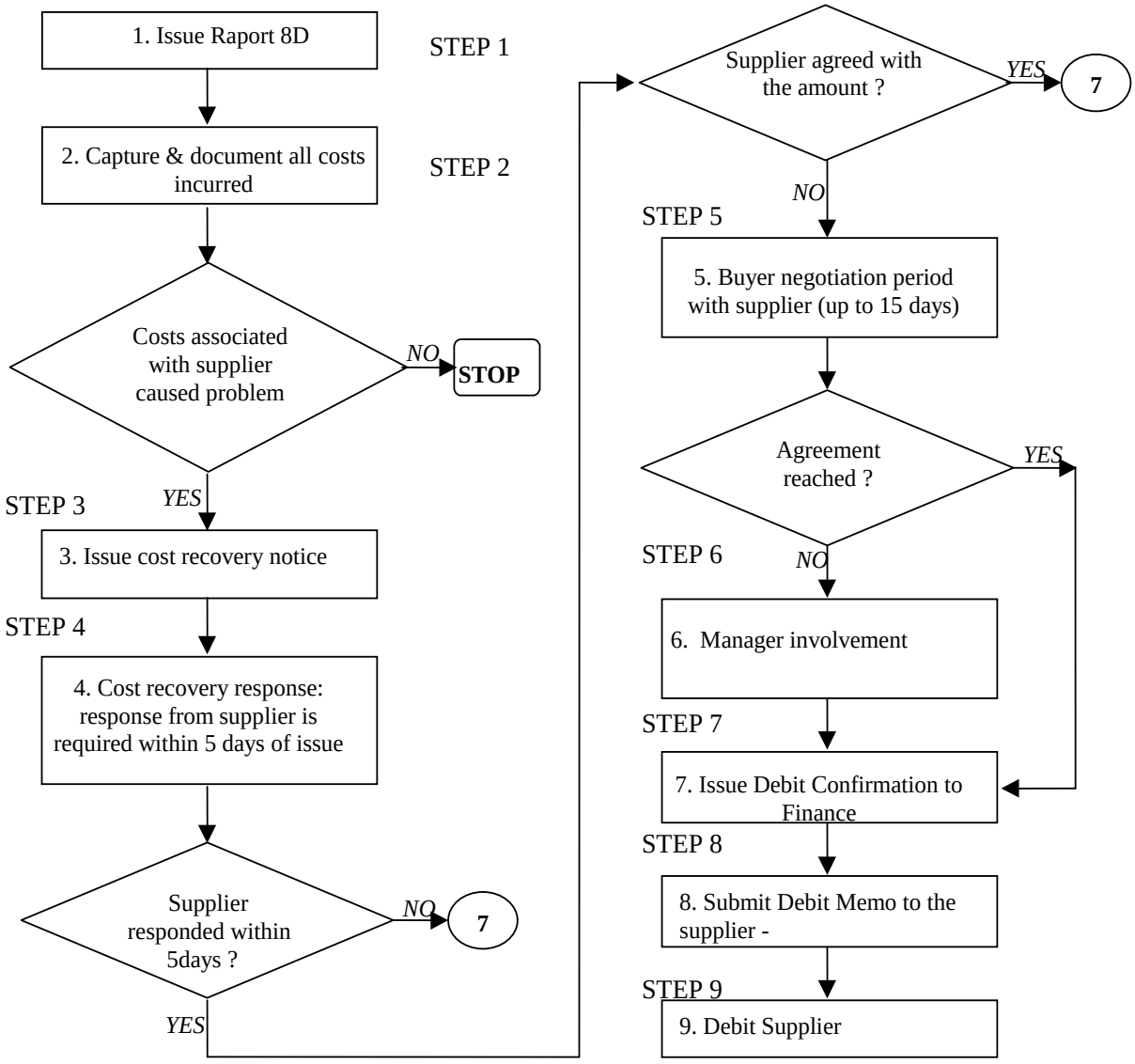
COMPA will recover the costs of all non-conformities (as incidents) due to suppliers. It will follow these steps:

Step 1: The Quality Department in COMPA issues the 8D report which is being sent to the supplier
The report may also contain (if known at this stage) the costs due to the Supplier
Step 2: COMPA identifies and collects all costs generated by the occurrence and rework of the nonconforming parts.
All costs must be documented.
Step 3: The Quality Department in COMPA forwards these costs to the supplier.
Step 4:

4a. If the supplier agrees with the costs submitted or does not answer within 5 days, the Financial/Logistic Department issues and sends the financial cost recovery document to the supplier.

4b. If the supplier disagrees with the costs submitted, all departments concerned will provide the supplier with all the details and documents which served as the basis for calculating the costs.

Within 5 days, the supplier must send the decision of acceptance or non-acceptance of costs. In the case of non-acceptance, the supplier must provide the reason for not accepting those costs.
Step 5: By the departments concerned, COMPA will make all necessary steps in presenting the effects arising from non-conformity and will make available to suppliers all documents related to this drill. The supplier may perform an investigation in COMPA and may issue solid arguments against the complaint to be negotiated.
Negotiation period may not exceed 15 days from issuance of the costs and by that time, the supplier must notify its clear decision.
Step 6: If within 15 days from the issuance of the costs, an agreement with the supplier is not reached, the Resort Manager in COMPA together with the supplier's Sales Manager will involve themselves in unblocking the situation.
Consequent to the negotiations, a final decision will be taken, by mutual agreement, to conclude the incident.
Step 7: Throughout the process of recovering the costs due to the supplier, when the provider accepts the costs imputed, the Financial/Logistic Department in COMPA issues and sends the cost recovery financial document.
Step 8: The supplier shall send the confirmation of accepting the cost recovery financial document.
Step 9: Payment consequent to the agreement.



Incidents that generate costs and may be due supplier:

- COMPA reception sorting.
- COMPA production flow-sorting.
- COMPA customers sorting.
- Reprocessing non-conforming products.
- Sorting and / or reprocessing by other specialized companies.
- Scrap parts identified at the reception in COMPA.
- Scrap-parts after machining in COMPA
- Tools-and / or broken equipment
- Malfunctions or stoppages in COMPA manufacturing.
- COMPA penalties levied by customers due to failure to meet the delivery terms agreed or quantity ordered.

The total cost of an incident will include all actual costs incurred, using prices and tariffs of the date when the incident.

Calculating the total cost will be based on the documents issued by the departments concerned (Ex: scrap notes, technological plugs, additional materials required, additional penalties from the clients, etc.).

All these documents and the calculation will be presented to the provider, on demand.

34. Customer satisfaction (pct.9.1.2)

COMPA expects from her suppliers to have policy-based processes "0 defect" and deliveries "100% on time". COMPA will monitor the supplier's performances by "Supplier's Ability Level" or ''Scorecard''.

If Scorecard is between 90% -100% - this is ABLE (green); if Scorecard is between 70% -90 % this is ACCEPTABLE (yellow) and if Scorecard is below 70% this is NOTACCEPTABLE (red)

COMPA will submit at every 3 months the Scorecard to its suppliers. For services suppliers this will be submitted 1/year. COMPA expects all suppliers to achieve and maintain grade ABLE(Green).

If grade ABLE (Green) is not achieved, the supplier shall establish a corrective action plan and improvement plans in order to achieve ABLE status. These plans will be submitted to COMPA. If at the end of the year, the Scorecard is on red, (under 70%) the supplier will be blocked for future projects (except for the imposed suppliers).

35. Non-conformity and corrective action (pct. 10.2.1)

In the case of reported problems, the supplier shall act to eliminate the cause of nonconformity and recurrence and to protect Compa and its customers.

COMPA requires suppliers to respond to all issues within the timeframe below, unless otherwise agreed with Compa's responsible:

- Initial response due within 24 hours
- The final answer with a verified analysis of the causes of the roots due within fifteen (15) calendar days.

36. Environment

<u>For all products</u>

- For products delivered, it is recommended that the supplier should work in an environmental management system (ISO 14001), or meet the requirements covered by this standard.
- The supplier must comply with the requirements of Regulation (EC) No.1907/2006 (REACH) depending on the role it has on the supply chain and "Conflict Minerals" policy throughout the entire supply chain of its products.
- The supplier must provide a packaging management for the products delivered in accordance with the requirements of HG 621/2005 with subsequent amendments and Ord. 578/2006 with subsequent amendments.
- The supplier must send his statement confirming that the materials mentioned in the Directive 2000/53/EC are not being used on the products.

<u>All chemicals included</u>

- The supplier must send the Safety Data Sheet (SDS) for hazardous chemicals (either before or during the first deliveries), a document which must be written in Romanian and be drawn according to Regulation 1907/2006 (REACH).

• The supplier must send, on its own initiative, the available security data sheet (SDS) edition at each update, according to Regulation 1907/2006 (REACH).
• Labeling the packaging of dangerous chemicals must be made in accordance with the requirements of GD 1408/2008.
• The supplier must comply with the regulations of GD 347/2003, with subsequent amendments, on restricting the marketing and use of certain dangerous substances and chemicals.
• The supplier must send, upon request, "The Certificate of Compliance with COMPA Environmental Requirements" and " The Supplier Declaration on Prohibited and Notifiable Substances", on the first delivery.
• The supplier must comply with the regulations of "Conflict minerals policy" and verify throughout the entire supply chain of its products.
• Suppliers must document and transmit to COMPA the CO2 footprint resulting from the processing of materials / products delivered to COMPA and consider a plan to reduce it.

37. Abbreviations

- APQP - Advanced Product Quality Planning and Control Plan;
- PPAP - Production Part Approval Process;
- FMEA - Potential Failure Mode and Effects Analysis;
- MSA - Measurement Systems Analysis;
- QSA - Quality System Assessment;
- SPC - Statistical Process Control.
- FEM - Finite Element Method
- CAD - Computer Aided Design
- DCV – Controlling Devices, Verifiers

38. COMPA Customer Requirements

Suppliers must comply with COMPA requirements and COMPA Customers requirements. Suppliers have the obligation to periodically consult the requirements of COMPA and those of COMPA Customers as well as their updates to the latest version, for the category of materials / products delivered and to transmit these requirements through the supply chain. The requirements of COMPA Clients are found on their websites and / or portals, or if access to them is not facilitated, they must be requested from COMPA. (Annex A - CSR CLIENTS COMPA)

39.Change Checklist

No	Date	Evolution	Object of modification	Cause of modification	Name
1	22.10.2020	Rev 3-Rev 4 ed.a/2020	*The entire manual*	*Alignment with the new requirements of IATF and ISO standards*	*Milosan Bogdan*

ANEXA A

CSR COMPA CLIENTS

CLIENT	LINK/PORTAL
BORGWARNER	https://www.borgwarner.com/suppliers
RENAULT	https://www.iatfglobaloversight.org/news/16-dec-2020-groupe-renault-csr-for-iatf-16949-and-change-history-file/
GARRETT	https://cwa.honeywell.com/cwaRendered/login3.jsp?appid=4908&lang=EN
JTEKT	https://www.jtekt.co.jp/e/company/csr.html
VITESCO	https://vitesco-technologies.com/en/Home/Footer/FooterRight/Supplier
BOS	https://www.bos.de/en/world-wide/world-wide.html
	https://sourcingportal.bos.de/en/sign/in/?backlink=c1qfe
BOSCH	https://www.bosch.com/company/supply-chain/information-for-business-partners/
	https://assets.bosch.com/media/global/bosch_group/purchasing_and_logistics/information_for_business_partners/downloads/quality_docs/specific_regulations/supplier-quality-requirements.pdf
VCST	https://bmtdrivesolutions.com/suppliers/
ZF	https://www.zf.com/mobile/en/homepage/homepage.html
HAULOTTE	https://www.haulotte.com/sites/haulottecorp/files/fichiers/Fournisseurs/principles_of_partnership.pdf
JOYSON	https://www.joysonsafety.com/en/suppliers/
HUTCHINSON	https://www.hutchinson.com/en/automotive-trucks
THYSSENKRUPP BILSTEIN	https://www.thyssenkrupp.com/de/unternehmen/einkauf/fuer-lieferanten
SCHAEFFLER	https://www.schaeffler.com/content.schaeffler.com/en/company/sustainability/sustainability.jsp
DAC DAUGLAS AUTOTECH	http://www.douglasautotech.com/suppliers/
DAIMLER	https://www.daimler.com/sustainability/
	https://docmaster.supplier.daimler.com/DMPublic/en/doc/ALD00001238.2019-11.EN.pdf
DMG	https://en.dmgmori-ag.com/corporate-responsibility/strategy
WITTE	https://www.witte-automotive.com/live/Purchasing/purchasing.aspx