SUPPLIER’S QUALITY MANUAL

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1. Requirements towards the supplier’s quality system


The RJA Ltd expects its suppliers to operate a quality management system which ensure the quality of the product and its manufacturing process and comply with customer requirements. Minimum requirement is to obtain a certification that conforms to the ISO 9001: 2008 and to the ISO 14001: 2005 standard.

If the supplier does not hold an independent certification, must operate quality system according to ISO 9001 and ISO 14001.

Suppliers who deliver parts into ISO/TS 16949 circle and delivers quality determinative parts are expected to fulfil requirements completely written in this handbook.

If the supplier subcontracts to fulfil the contract must ensure that the requirements of the manual are also met by its subcontractor.

The RJA Ltd checks the requirements with self-survey and/or during audit:

2. General requirements towards the supplier

Supplier’s handbook and its appendices are compulsory for every automotive supplier. Deviation from it is only possible by a supplier-initiated separate agreement signed and approved. If supplier does not ask deviation from written requirements within 5 working days, or supplier gives quotation, RJA Kft. counts this regulation to be accepted.

RJA has to send the 9-11 points of 50MR23003-2 document (General Terms and Condition Regulation) and 50MR23003-3 (Supplier Quality Requirements, Delivery and Quality Penalty) documents, or accessibility on RJA homepage (www.raba.hu) as RJA Kft. requirement.

2.1. Supplier choosing process

2.1.1. Specification meeting

There is a specification meeting before starting a new project, localization where the parties are able to clear the technical, quality, environmental and safety requirements and the questions concerning to this manual.

2.2. Supplier’s evaluation and approval

2.2.1. Request for first sample and classification

2.2.1.1. Define the requirements of sampling, request for first sample documentation (PPAP)

Where the product is produced in relation with the quality requirements of automotive industry, must carry out a first sample acceptance process on the basis of PPAP reference handbook. Have
to submit a PPAP document with sample on a level, which is defined by RJA Ltd. has the right to define the submission requirements uniquely.

If RJA Ltd does not define other requirements, the supplier must submit 5 pieces first samples (or 5 pairs), in case of more tool per each devices or cavities 5 pieces (or 5 pairs) also. The submitted samples have to mark with serial number. It is a must to produce the first samples using the tools and conditions of mass production (machine, tool, equipment, technology, production location). These samples must be validated for every size and for other requirements.

Only the samples can be submitted that heavy metal content meet the requirements of the 53/2000 directive (End-of-Life-Vehicles) of the European Union (lead, mercury, cadmium, chromium VI). Suppliers must take responsibility for the inbuilt materials and must meet its compositions. Supplier must make these data available to RJA Ltd. This is the condition of the first sample acceptance. Have to send the raw material composition to RJA Ltd via IMDS system. The IMDS address: Rába Mór Ltd, ID: 7672.

The supplier should contact with RJA Ltd, if do not meet the IMDS system.

REACH:
All Suppliers who affected by EC regulation has to declare in written form about the observance of this EU regulation:

2.2.1.2. Supplier’s approval, record it’s data in the supplier list
The supplier approval process is carried out on the basis of evaluation of filled out “supplier self survey” and if it’s necessary the results of the audit and on the basis of classification of the PPAP documents and first sample.

2.2.1.2.1. Approval of PPAP (first sample) document
In the case of first sample submission -after control measurements- the RJA Ltd returns the approval PSW document to the supplier. Supplier only can start the mass production upon RJA Ltd’s written approval. In case of lacking documents the interim approval contains the restrictions.

In case of a rejected PPAP it is necessary to submit new PPAP documentation and new sample.

2.2.1.2.2. Examination of supplier’s production capability - Run @ Rate
The supplier has to be able to produce the necessary quantity in good quality with the available devices. The members of RJA Ltd, after previous compliance, have the right to examine it at the beginning of the production.

2.2.1.3. Retaining of first sample
On the basis of RJA Ltd’s requirement supplier has to retain 1 piece master sample which is equivalent to the submitted and approved first samples (same production) until the life time of the product, or in the case of new sample submission until the acceptance of the new sample.

2.3. General requirements (documents)
2.3.1. Quality documents (declaration of conformance)
If it specified (in contract, order, ask quotation, agreement) the supplier must deliver with the product the prescribed quality documents. The quality certificate has to submit in accordance with MSZ EN -10204:2005 standard. It has to contain the name of the delivered material/part, the drawing number, the quantity, the date, the declaration of compliance and the signature of the responsible person. In case of same product RJA Ltd can ask test report from the supplier to prove the conformity.

If in the requirements the submission of quality certificate or measurement report is not determined it is sufficient to prove the conformity on the product label and/or on dispatch note.

If PPAP documentation and first sample is definitely accepted by RJA, you should not send quality certificate with each delivery, only in case of need or claim and only regarding the claimed parameters. In case of delivery of these materials RJA will accept the approval of the controlled quality if it is signed on the label or on the delivery note.

2.3.2. Approval for use

If the product does not meet the defined requirements, supplier only can deliver the parts upon RJA Ltd’s permission. The permission is valid for a concrete quantity and period. In case like this supplier must submit a request to RJA Ltd on “Request for use/deviation” form (Appendix 5-50MR23003-5), which contains the information of deviation. On the basis of RJA Ltd’s approval, the supplier must mark the product with yellow label, on which have to indicate the fact of deviation and approval, the number of permission, the drawing number and the quantity.

A quality penalty will be charged on the delivery, by 50MR23003-2 appendix, according to the current contracts, if the supplier does not ask approval for use in case of any quality problem before delivery.

2.3.3. Deviation request

If the supplier knows before starting the production that he is not able to produce part according to the specification (for example other raw material, dimension deviation etc.), supplier has to ask deviation permission using the “Request for use/deviation” form (Appendix 5). The deviation request has to contain the technical specification of the replaced product (material) and the parameters of new product that deviate from specification. The supplier must carry out inspection regarding to the new product/material and must attach the test report to the request.

According to RJA Ltd’s written permission the product has to be provided with a yellow label, on which you have to note the fact of the deviation and the permission, the permission number, drawing number and the quantity.

Before confirmation of “Request for use/deviation” form Rába reserve the right that have needed examinations done what can be made by an external party (e.g. laboratory) after previous compliance. Supplier must assume the costs of examinations.

2.3.4. Handling of drawing and technical documents

In case of new product or technical changing the RJA Ltd ensures the valid drawing and documents to the supplier. The supplier must ensure that the deviation is carried over to the affected documents and the documents are available. The first shipment of a new product or a product produced according to a new ECN must be distinguished with yellow label.

In case of automotive items what are in accordance with MSZ ISO/TS 16949 standard system supplier must review the item, drawings and technical documents yearly in common with the member of RJA Ltd. If nothing has been changed on the part and in the production process, it is sufficient from the supplier to declare that process was reviewed. Review must include the requalify examination in accordance with ISO TS 16949. This requalify examination must include every parameter what are assessed by the technologic specification – control plan of producer, drawing,
standard, customer requirement – must be examined again (e.g. geometric measure, material testing etc.) and must inform the customer about the test results.

2.3.5. Quality faults – PPM
Beside the effort to the “0” fault, the expectation of the customer of RJA Ltd is the 0 PPM. RJA expect the 0 PPM from its suppliers. In some cases RJA make PPM contract, which contains the target values, to satisfy the requirements of Customers. Supplier must make effort to perform the set target. If it’s not managed to do it, supplier must take actions to reduce the PPM value.

2.3.6. Process capability requirements
The RJA Ltd proposes to its suppliers to use statistical methods in case of processes where the method is explainable for the defined parameters. The expected minimum requirement is $C_p, C_{pk} \geq 1,67$. If there was defined some special character previously, the capability study would carry out for that character. In the case of nonconforming process capability, supplier must take actions to improve the process capability or increase the severity of the inspection until the supplier does not reach the prescribed value. RJA Ltd can define the quality capability index uniquely.

2.3.7. Special characteristic
The supplier must take into consideration the special characteristics prescribed on the documentation, must use the special symbols defined by RJA Ltd and must mark it on the production documentation.

2.3.8. Tools and equipments review
The supplier must ensure and sustain the appropriate producing status of equipments needed for production. It is necessary to can reach the conformance of requirements concern the product. The supplier must plan maintenance for every tool, machine and make record about it. RJA’s property must be marked with data plate on tools and equipments. About walk of life of tools a document must be done what can be shown in case of customer’s request.

2.3.9. Terms of delivery: Packaging, identification
In general cases shipment is done after unloading at Raba. Packaging of product is the Supplier’s responsibility in every cases.
In case of normal conditions packaging protects the product from damages and its conditions. Supplier has to issue a delivery note regarding each shipment which is used as a proof of fulfilment.
Each delivery note has to contain minimum the following datas:

- Reference number of delivery note (eg. document nr.)
- Datas of Sender (company name, address, etc.)
- Delivery adress
- Date of issue of delivery note
- Purchase order number
- Designation and Raba’s part number of delivered product
- Delivered quantity and unit
Each part number and each batch have to be mentioned separately in the delivery note. If applicable by relevant rules, environmental protection product fee of packaging material has to be paid by the Supplier and payment has to be proofed in shipment document.

On receipt of delivered product Customer can check visible damages, defects, identity and quantity only.

The packaging of the item must ensure the wholeness of the item, its conservation during delivering, handling and storage. Packaging method must be agreed with RJA’s contact before the first delivery. Packaging instruction must be made and submit to Rába together with PPAP documentation for approval.

In case of not appropriate, incomplete, damaged, soggy packaging Rába can reject the whole shipment.

Identification, requirement of content of label:
Rába ask to use label with VDA 4913 barcode. As a minimum requirement labels must include the following datas:
*Part number/drawing number
*Part name
*Quantity
*Batch/lot number
*Level of technological drawing change (ECN level)
*Producer company

3. Supplier’s continuously evaluation
3.1. Record supplier’s performance data, carry out the evaluation
Relation to RJA Ltd’s procedure must evaluate the suppliers in every half year on the basis of their performance. We take into consideration the following respects during the evaluation:


On the basis of above weighted respects the evaluation can be:
90, 1-100 % excellent
80, 1-90 % good
60, 1-80 % needs upgrading
0-60 % unacceptable

3.2. Inform supplier about the result of the evaluation
We inform the suppliers about the results of evaluation one time/year, except the performance of the supplier became worse. In the case we inform the suppliers immediately.
In the case of under 91% evaluation the supplier must contact the members of RJA Ltd and must submit action plan to improve its performance. If the supplier does not hand in the action plan in time, at the forthcoming evaluation 10 points will be deducted regarding the 4. Answering quality claims aspect, and the quality manager might order a supplier audit.

Any deviation from above requirements is only possible with the permission of the quality manager of RJA Ltd.
If the result of the evaluation of suppliers choose by customer is under 81%, RJA Ltd. send the evaluation to the customer too. If the supplier does not take the necessary actions or the efficiency
of the actions is not good, the quality manager of RJA Ltd. inform the customer about the supplier’s bad efficiency to define the further actions.

3.3. Supplier’s audit
RJA Ltd has the right to carry out audit at supplier’s plant on the basis of previously notice and agreement with supplier. In the case of heavy fault, repeatable or continuously nonconforming performance the quality manager of RJA Ltd has the right exceptional audit at supplier plant.

4. Handling of claim
In the case of claim RJA Ltd informs the supplier on a QUALITY NOTICE or on a CLAIM REPORT depending of how serious the problem is. In case like this supplier must inform the customer about immediate actions at the latest within one working day. Supplier must inform the customer about the corrective and preventive actions on the QUALITY NOTICE.
Supplier must send corrective actions on the asked documentation. (8D can be used)
The corrective actions has to contain:
- root cause of the problem
- corrective actions to avoid problem
- the reason why the faults was unobserved
- action to avoid the repeatability of unobservant.

Suppliers are informed about the costs of claim by RJA Ltd and must be replied within 3 days. If RJA Ltd has not received answer within the 3 days, scrap the rejected parts on supplier costs.
Costs will be invoiced after closing the claim.
The general expenses are fixed on the attachment 50MR23003-3.

Supplier has to confirm the acceptance of the charged costs within 3 working days. If RJA Ltd does not receive this conformance, costs are considered as accepted. Costs will be invoiced to the supplier and compensated with an unpaid invoice, about that we send a compensation letter to you. RJA Ltd rolls out the claimed parts at the expense of the supplier, if the supplier does not make arrangements regarding the refuse within 3 working days.

5. Terms used in the Manual
- **PPM** – Part Per Million, faulty unit which concerning to one million faulty units (piece, kg, litre etc). (For example if 1 piece is faulty from 10000 delivered parts, than the PPM are 100).
- **$C_P$, $C_{PK}$** – corrected quality capability index. In case of normal dispersed process it is checked during the capability studies that for what proportion of the parts will be right that some character is within the limit and how much will be the reject.
- **PSW** – Part Submission Warrant
- **PPAP** – Production Part Approval Process
- **PPAP documents** – Contain the technical requirements defined by customer which are necessary to approve the parts and the method of conformity.
- **Run @ Rate GP-9** – General procedure of supplier development of General Motors. Its aim to prove that the supplier is able to fulfil the quality and quantity requirements of the customer with the planned tooling capacity in a given period.

6. Attachments

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<tr>
<td>Attachment 1</td>
<td>50MR23003-1</td>
<td>Content requirements of quotation</td>
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<td>Attachment 2</td>
<td>50MR23003-2</td>
<td>General conditions and terms</td>
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7. Proposed requirements documents

Reference handbooks:
- PPAP Production Part Approval Process
- APQP Advanced Product Quality Planning
- FMEA Potential Failure Mode and Effects Analysis
- SPC Statistical Process Control
- QSA Quality System Appraisal
- MSA Measurement System Analysis
- Affected VDA handbooks