NORMA Group Supplier Quality Manual

“Quality Requirements” for deliveries of suppliers to NORMA Group

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1. Objective and Purpose

This document defines the supplier quality requirements for the development, manufacture, and verification of delivered materials, parts, and services.

2. Scope of Validity

The details stipulated within this manual are the minimum mandatory requirements for "approved" material, production goods and service suppliers to NORMA Group, its subsidiaries, and affiliates, irrespective of their global location.

The NORMA Group Supplier Manual is based on ISO 9001 and IATF 16949 requirements. These requirements are an integral and legally binding aspect of the NORMA Group Purchase Order. Although this does not alter or reduce any other requirements of the contract, it is intended to provide a concise understanding of our quality expectations.

The controlled copy of the NORMA Group Supplier Manual is posted on the NORMA Group eSourcing platform and SharePoint.

3. Quality Policy

NORMA Group is committed to providing its customers the highest level of quality while promoting the protection of the environment, health and safety of its employees, customers, and public.

NORMA Group (appropriate to our purpose and context, supporting our overarching strategic direction):

- ✓ is committed to delivering total customer satisfaction and creating absolute trust in its products and services.
- ✓ will do this by building long term relationships that are beneficial to all stakeholders and interested parties.
- ✓ NORMA Group Management are committed to:
    - **Zero failure mindset:** We aim to achieve zero-failures in manufacturing / business

processes. Our products are `mission critical` for our customers. Trust is everything.

- **Customer perspective:** We understand our customer diversity, talk their language and work at their speed. Meeting all Customer expectations is key.
- **Continual Improvement:** We drive continual improvement through the NORMA Business System (NBS).
- **Compliance:** We comply will all applicable standards and legal/ statutory requirements relevant to our business activities.
- **Data driven decision making:** We steer our business at every level by monitoring and acting on key metrics.
- **Technology:** We continually invest to ensure world class process capability.

4. Definition

4.1 Pre-Award-Checklist

Should be used to document the results of a detailed technical and commercial component review meeting with a potential new supplier and / or new critical purchasing materials.

4.2 Sourcing Committee

Team built from representatives of quality, engineering, purchasing, and program and plant management to review the potential supplier base and select the supplier for a new project.

4.3 eSourcing Platform (Bravo system)

NORMA Group supplier list within the eSourcing platform purchasing tool. For access to the eSourcing platform Supplier Support Manual: NORMA Group - eSourcing Plattform (bravosolution.com)

4.4 Quote Comparison Form

Excel file required for the sourcing decision presenting the summary of suppliers' offers.

4.5 PPAP

Production Part Approval Process

4.6 Automotive Supplier

A supplier of goods or services that support an automotive industry assembly application.

4.7 Special Characteristics (Significant / Critical)

Special Characteristics are any product or process characteristics that affect safety or compliance with regulations, fit, function, performance, or subsequent processing of product.

4.8 Quality Agreement

A document to be approved prior to supplier nomination listing part specific quality and production-based requirements.

5. Procedure

5.1 General Requirements

5.1.1 Quality Systems Requirements

NORMA Group suppliers are encouraged to develop, implement, and improve a quality management system certified to ISO 9001. Automotive suppliers shall demonstrate conformance to ISO 9001 by maintaining a third-party certification issued by a certification body bearing the accreditation mark of

a recognized IAF MLA (International Accreditation Forum Multilateral Recognition Arrangement) member and where the accreditation body's main scope includes management system certification to ISO/IEC 7021.

Automotive suppliers shall also be certified to the automotive quality management system standard IATF 16949 through third-party audits (valid third-party certification of the supplier to IATF 16949 by an IATF-recognized certification body).

NORMA Group recommends the implementation and maintenance of an environmental management system according to ISO 14001, and an occupational health and safety management system according to ISO 45001, as currently amended.

Suppliers shall upload written confirmation and objective evidence of third-party certification to an active version of IATF 16949, ISO 9001 and ISO 14001, ISO 45001 etc. to the NORMA Group eSourcing platform within 10 working days of receiving their certificate.

Automotive suppliers shall investigate if OEM or tiered customer specific requirements are applicable to the product or process supplied. In such a case, suppliers shall obtain the current version of the appropriate customer specific requirements and may be asked to meet all applicable requirements through process and/or product development, root cause analysis, and continual improvement activities.

5.1.2 ELV, IMDS, and Material Compliance Requirements

NORMA Group automotive suppliers shall fulfill the ELV (End-of-Life)-Directive by reporting the contents of the material delivered through IMDS (International Material Data System) and/or CAMDS (Chinese Automotive Material Data System) as required.

IMDS and CAMDS allows the OEMs and suppliers to collect and to manage material and substance composition information of all components of a vehicle. NORMA Group automotive suppliers are required to report the contents of the materials and products they supply to NORMA Group under the IMDS and/or CAMDS ID number of the appropriate NORMA Group receiving site.

Liability rests with the supplier in the event of that components supplied to NORMA Group do not conform to the relevant statutory requirements. All costs incurred in such instances will be borne by

the supplier. Information regarding NORMA Group's environmental policies and IMDS and/or CAMDS requirements may be obtained upon request by contacting the appropriate buyer.

Radioactivity of materials is not to exceed statutory limits.

NORMA Group requires, and may request confirmation of compliance to the following regulations:

1. **REACH** – The Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) is an EU regulation designed to improve the protection of human health and the environment through the identification of the properties of chemical substances. Chemical companies must document information on the properties, uses, hazards, and potential risks of any products they manufacture or import more than one ton per year.

2. **RoHS** – The RoHS directive aims to restrict dangerous substances commonly used in electronic and electronic equipment such as Lead (Pb), Cadmium (Cd), Mercury (Hg), Hexavalent chromium (Hex-Cr), Polybrominated biphenyls (PBB), and Polybrominated diphenyl ethers (PBDE). Levels of Cadmium and Hexavalent chromium must be less than 0.01% of the substance by weight at raw homogeneous materials level. Levels of Lead, PBB, and PBDE must be no more than 0.1% of the material, when calculated by weight at raw homogeneous materials. Compliant components must have 100 ppm or less of mercury and the mercury must not have been intentionally added to the component.

3. **Conflict Minerals** – The conflict minerals regulation is a global standard for ethical sourcing of metals tantalum, tin, tungsten, and gold (3TG). Conflict minerals are minerals mined in areas facing armed conflict and dealing with conditions of human rights abuses. The Responsible Minerals Initiative (RMI) developed the conflict minerals reporting template (CMRT) to standardized conflict minerals reporting.

4. **Proposition 65** – The state of California enacted the Safe Drinking Water and Toxic Enforcement Act of 1986 to protect the state's drinking water from being contaminated with chemicals known to cause cancer, birth defects or other reproductive harm. Proposition 65 requires the state to maintain and update a list of identified chemicals, and for businesses to inform citizens about exposure to such chemicals. Proposition 65 dictates safe harbor levels, including No Significant Risk Levels (NSRLs) for cancer-causing chemicals and Maximum Allowable Dose Levels (MADLs) for chemicals causing reproductive toxicity.

5.1.3 Delivery Performance

The supplier shall provide 100% conformance to the delivery requirements as specified by the NORMA Group receiving site. Costs incurred by NORMA Group due to a delivery nonconformance caused by a supplier shall be the responsibility of the supplier.

Suppliers shall submit corrective action plans for delivery nonconformances upon request.

5.1.4 Product Safety and Compliance Requirements

Suppliers shall ensure their products, processes and services conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipments, and NORMA Group identified country of destination.

Advance Notification of Potential Safety Nonconformities

Suppliers must notify NORMA Group, as soon as reasonably possible, after discovering any nonconformity of product performance, in a way that contributes to unreasonable risk of death, injury or property damage, because of the product's design, construction, or performance. This communication must be in the form of a written notice. NORMA Group and the supplier will cooperate to identify the cause of the nonconformity and develop a plan for a prompt resolution.

Regulatory Compliance

Automotive suppliers must be knowledgeable in all applicable government statues, regulations, and standards relating to motor vehicle safety within the territories of use.

Regulatory Notice

Suppliers must provide NORMA Group copies of any data, materials, or information provided to a government entity relating to the products supplied to NORMA Group, including any test, manufacturing, field performance or warranty data.

Suppliers must provide the information within 10 working days from the date of submission to the government entity.

NOTE 1: The Supplier must promptly notify NORMA Group, if it has provided information to a government, concerning recall of products that are Identical or Substantially Similar, regardless of whether such recall was voluntary, or government mandated.

NOTE 2: Identical Or Substantially Similar Motor Vehicle Equipment as defined by regulation means an item of motor vehicle equipment sold or in use outside the United States [and its Territories] is identical or substantially similar to equipment sold or offered for sale in the United States [and its Territories] if such equipment and the equipment sold or offered for sale in the United States [and its Territories] have one or more components or systems that are the same, and the component or system performs the same function in vehicles or equipment sold or offered for sale in the United States [and its Territories], regardless of whether the part numbers are identical.

5.2 Supplier Sourcing Procedure

The following process outlines the major steps required to identify and source a new supplier:

5.2.1 Initial Contact

After initial commercial contact, NORMA Group purchasing will register the supplier and their legal entities in the eSourcing platform. Once registered, the supplier shall complete and maintain their record, ensuring all profile details are current. The responsible buyer will then determine if the supplier's capabilities are sufficient to consider further for current or future business.

5.2.2 Pre-Selection

Following documents are required to conclude pre-selection process:

- Non-Disclosure-Agreement
- Financial Health Check

Following documents must be upload to the eSourcing platform:

- Signed NORMA Group Business Rules Letter

- Signed Supplier Code of Conduct
- Current Quality Certificates (mandatory and applicable for supplier's industry i.e. ISO-9001)
- Supplier Questionnaires in Supplier Directory

5.2.3 Request for Quotation

After a successful pre-selection process, a buyer will send the supplier an RFQ package including component drawings, specifications, production volumes, and NORMA Group requirements.

5.2.4 Supplier Visit (Pre-Audit – if applicable)

The purchasing function may involve a cross functional team to evaluate the supplier's overall capabilities in cases of new suppliers or current suppliers with changes to their product realization process.

5.2.5 Pre-Award meeting

A Pre-Award Meeting for present and potential suppliers offering new products or services may be required prior to issuing a Purchase Order. Technical, quality, manufacturing, engineering, purchasing, delivery, and business issues should be reviewed during this meeting, or follow up meetings, to provide the supplier with a thorough understanding of NORMA Group requirements. Suppliers shall meet all requirements agreed to at the Pre-Award Meeting, or follow up meetings, as a condition of business award. Agreements shall be documented and formally concurred with signature.

Design responsible suppliers are required to comply with NORMA Group's engineering drafting standards, which can be obtained from the applicable engineering group.

5.2.6 Potential Supplier Audit

After a successful informational visit and detailed Pre-Award-Meeting, a NORMA Group supplier quality representative, together with the responsible buyer or commodity manager, and PDE engineer may carry out an audit at the supplier's manufacturing location before scheduling a Sourcing Committee Meeting. This audit may focus on ISO 9001, IATF 16949, or VDA requirements, manufacturing best practices, customer requirements and part specifications. The automotive supplier audit format is typically in accordance with VDA 6.3 – Potential Analysis (P1) with the addition of the NORMA Group

Pre-Award Checklist (PAC), but may vary based on region, supplier, and application.

VDA 6.3 Potential analysis classification determines the audit result:

- Green – Fully Approved Potential supplier
- Yellow – Conditionally approved supplier
- Red – The (potential) supplier is barred

5.2.7 Supplier Approval (Sourcing Committee)

A NORMA Group buyer will organize NORMA Group sourcing committee members to approve the selected supplier nomination.

Required documents to be prepared for the meeting:

- Quote Comparison Form with minimum three reliable quotes
- Sourcing Committee Approval Form
- Signed Pre-Award document (if necessary)
- Audit Result of 5.2.6

All sourcing committee members should agree with the proposed supplier via a signature on the Sourcing Committee Approval Form.

5.2.8 Supplier Nomination

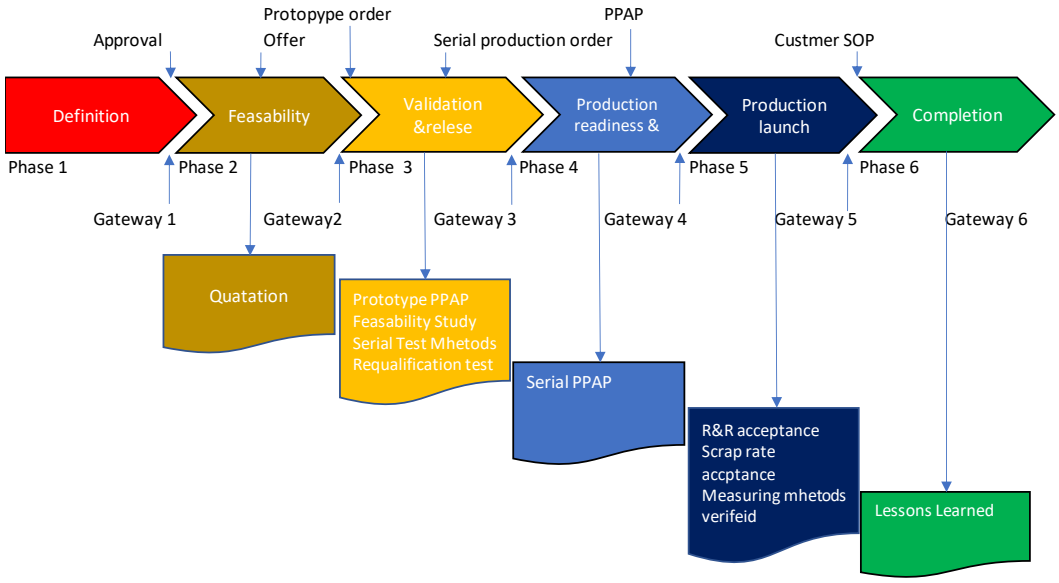
The supplier shall provide the following signed documents prior to official nomination (nomination letter):

- Strategic Frame Contract (if applicable)
- NORMA Group Supplier Logistics Manual and NORMA Group Supplier Quality Manual
- Consignment stock Contract (if applicable)
- Quality Agreement

NORMA Group purchasing will send a nomination letter to the supplier. Every nomination requires written a form including all details of the project.

5.3 New Products Approval

5.3.1 Advanced Product Quality Planning (APQP)



Continual supplier dialog throughout product and process development is critical for NORMA Group's program launch success. The frequency and duration of APQP meetings shall be determined by NORMA Group purchasing, supplier quality, and the receiving site program launch teams.

Three different component/material levels may determine APQP activities. The use of levels allows for effective planning and minimizes risk by developing and verifying on-going production and process controls. More significant or critical components will require more detailed and in-depth control.

1. **Component Level 1** – Critical (**High Risk**)

   - Examples: Complex injection molded/stamped/extruded components, multiple component assemblies, fasteners (nuts/bolts/screws, etc.)
   - Safety critical
   - Influences customer significant characteristics

- Part has an FMVSS or Economic Commission for Europe (ECE) requirement
- New supplier
- Existing supplier with new process/application
- Existing supplier with existing process/application
- Existing supplier with existing process/application with historically poor performance
- APQP Requirements
  - Regularly scheduled APQP reviews (e.g. Weekly, or bi-weekly)
  - PPAP (all elements unless otherwise agreed)
  - Safe Launch Plan
  - Launch Readiness Review (On-site)
  - Production Run at Rate (On-site)
  - Annual dimensional re-qualification
  - CSRs

2. **Component Level 2** – Semi-critical (**Medium Risk**)

- Examples: Simple injection molded/stamped/extruded components, fasteners (nuts/bolts/screws), gaskets, O-rings, etc.
- Non safety critical
- Does not influence customer significant characteristics
- Existing supplier with existing process/application
- APQP Requirements
  - APQP reviews (e.g. Monthly)
  - PPAP (all elements unless otherwise agreed)
  - Safe Launch Plan (Optional)
  - Launch Readiness Review (On-site – Optional)
  - Production Run at Rate (Internal – Mandatory, On-site – Optional)
  - Annual dimensional re-qualification

3. **Component Level 3** – Non-critical (**Low Risk**)

- Examples: Raw materials (Plastic Resin, coiled steel, wire), lubricants, etc.)
- Standard “off-the-shelf” or miscellaneous items
- APQP Requirements
  - PPAP (as available, all elements unless otherwise agreed)

- Annual dimensional re-qualification
- CSRs

NORMA Group supplier quality may use the Supplier APQP Checklist (See 6.1 Supporting NORMA Group Documents) and a general open issue lists to gauge supplier development progress to established deliverable dates based on NORMA Group program launch requirements.

NORMA Group supplier quality will communicate pre-production planning and PPAP documentation requirements through the PPAP Checklist (See 6.1 Supporting NORMA Group Documents). Suppliers shall approve the PPAP Checklist before moving forward with APQP activities.

Suppliers are to be pro-active and take the initiative to hold “self-led” multi-disciplined project management meetings where possible. This pro-active approach also requires that suppliers take the initiative to run and improve tools until parts are to print and reach capability requirements independent from scheduled production runs to support customer requirements.

Suppliers are to distribute program timing with a clear indication of the progress, risks (related to part timing, quality and/or delivery) and delays. NORMA Group shall determine the distribution frequency. Supplier timelines shall be in the form of a Gantt chart, or comparable format, and include NORMA Group program milestones.

In cases of delay or nonconformance, suppliers are to provide a detailed recovery plan, updated at the frequency as directed by NORMA Group.

5.3.2 Engineering Prototype/OTS Sample Submissions

Each sample or prototype must be clearly labeled with a Pre-PPAP Samples label (See 6.1 Supporting NORMA Group Documents) and be accompanied by a completed Dimensional Result, Material and Performance Test Result reports, or some form of material certification as directed by the NORMA Group supplier quality or receiving site. Additional instructions or requirements may be agreed upon and documented by NORMA Group via the Pre-Award Meeting or other formal communication.

The latest level ballooned drawing should accompany prototype or pre-production samples to help interpret the Dimensional Result. Samples shall be uniquely identified with revision level and consecutive serialization so that they may correlate back to assembly inspection data for

prototype/pre-production builds. Suppliers shall provide a supplier corrective action plan (SCAP) for review prior to shipping prototype/pre-production parts with nonconforming conditions. NORMA Group shall provide written approval to ship any parts prior to suppliers doing so. Providing a SCAP does not release the supplier from their responsibilities as outlined on the PO/NORMA Group General Terms & Conditions.

The NORMA Group engineering department will review the samples and applicable Dimensional, Material and Performance Test Result and give OTS approval if the samples meet all requirements.

NORMA Group has the right to cancel the supplier's right to develop the product if samples deviate from requirement more than three times.

5.3.3 Early Production and Pilot Part Requirements

Suppliers are required to meet NORMA Group's Early Production/Pilot Part requirements. Required documentation (e.g. Control Plans) must be kept current.

Suppliers are to label "early production" or "pilot parts" with Pre-PPAP Samples labels (See 6.1 Supporting NORMA Group Documents) in place of, or in addition to, NORMA Group directed bar code labels. Suppliers are to complete the labels as per the written instructions including Part Quantity, NORMA Group representative, Part Number, Engineering Level, Part Description, Program, and the status of required supporting dimensional, material, and testing documentation.

Suppliers are also expected to work closely with the NORMA Group plant scheduling and material control personnel to minimize unnecessary obsolescence.

Suppliers not adhering to the above requirements may be placed on containment.

5.3.4 Manufacturing Process Verification

A NORMA Group supplier quality representative may conduct a systematic review of a supplier's manufacturing process prior serialized production. The review typically takes place at the supplier manufacturing location, but NORMA Group supplier quality may choose to conduct a virtual audit if an on-site audit is not possible. The review may be based on ISO-9001, IATF-16949, VDA 6.3, Control Plan, part specifications or NORMA Group customer specified process. The completion of additional

documents, such as a launch readiness review checklist, may be required in addition, or in place of an onsite visit.

The supplier shall provide an action plan for any audit nonconformances and obtain the NORMA Group supplier quality engineer's approval before shipping mass production materials or components.

5.3.4.1 Special Characteristics Requirement

In accordance with the requirements of IATF 16949, Special Characteristics (SCs) shall be identified and specifically addressed in the DFMEA, PFMEA, Control Plans, Process Flows, Work Instructions, and other associated documents. NORMA Group designated Special Characteristics are identified on drawings/specifications, or in a separate document that cross-references these characteristics to the design record. Suppliers are responsible to fully understand the usage of their product and identify Special Characteristics, as appropriate. This includes "black box" suppliers. Suppliers are also responsible for ensuring that relevant Special Characteristics are explained, understood, and controlled by their sub-suppliers.

1. **Significant Characteristics** – Product and/or test requirements important for customer satisfaction, summarized on Control Plan and require special controls
2. **Critical Characteristics** – Requirements that affect compliance with government regulations or safe vehicle/product function and require special controls

	SC Significant Characteristics	**CC** Critical Characteristics	Others/Remarks Standard/Specification
NORMA Group:			
- To be used for all new project documentation	**[SC]**	**[CC]**	
- Legacy/Historical	  p[SC]	  p[CC]	p = potential

5.3.4.2 Process Capability and Control Requirement

Automotive suppliers are required to meet the process capability requirements as defined in the AIAG PPAP and SPC reference manuals, unless otherwise specified by NORMA Group. The supplier is responsible to ensure process capability and control requirements are documented in their Control Plan, and that capability indices are achieved and improved throughout production.

Evidence of Special Characteristics process capability shall be provided upon request.

Significant and Critical Characteristics capability requirements unless otherwise directed by customer specific requirements:

	Significant Characteristics (SC)	Critical Characteristics (CC)
	Cpk≥1.33 Ppk≥1.67	Cpk≥1.67
Process under statistical control, normally distributed	• Process appropriate checking frequency • On-going SPC • Compliance to capability requirement	• Process appropriate checking frequency • On-going SPC • Ppk analysis every six months
Process not under statistical control or capability not achieved	• 100% inspection • Action plan for achieving process control and capability	• Electronic or automated poka yoke • Effectiveness verified once per shift • NORMA Group approved action plan for achievement process control and capability

If the supplier fails to reach capability of a Special Characteristic, the supplier shall notify NORMA Group and initiate 100% control.

5.3.4.3 Test Devices

To provide for conscientious and reasonable production monitoring, the supplier will provide test devices and monitoring facilities (any facility performing self-calibration or outside services requires traceability to the NIST standard, an ISO 17025 lab accreditation, or a NORMA Group waiver). The equipment with standard test devices lies within the responsibility of the supplier. Procurement and use of parts-related special test devices must be agreed separately on each occasion.

All test devices, including any test devices provided by NORMA Group, are subject to test device monitoring by the supplier. In the event of recognizable or obvious damage or deviations, this test device must not be used until its proper functional capability is restored. The supplier will inform NORMA Group immediately of any damage or deviations found and submit to NORMA Group a risk assessment showing what influence the findings have on parts already delivered. The test devices used by the supplier must be checked for their functional capability at defined regular intervals and calibrated and kept in proper working condition. All test devices whose monitoring period has expired are not permissible for further use. Automotive suppliers shall meet the requirements, including Gage R&R, of the AIAG MSA manual and applicable OEM customer requirements.

5.3.4.4 Pre-Production Containment Requirement

Containment of new product starts with Pre-Production builds and continues through the first 90 days of production after PPAP approval. Suppliers shall inform NORMA Group supplier quality or the NORMA Group receiving site when the exit criteria is reached.

The following requirements shall be met to exit Pre-Production Containment:

1. Suppliers shall document Pre-Launch Containment requirements in their Pre-Production Control Plan prior to Pre-Production builds. Concurrence from NORMA Group does not relieve the supplier of any responsibility or accountability to deliver 100% conforming product to NORMA Group.
2. NORMA Group shall determine the characteristics required for Pre-Production Containment. Characteristics typically consist of any/all SCs as per the design record. If no documented SCs exist, NORMA Group may choose additional characteristics to monitor.
3. A minimum of 1200 pieces must be contained, even if this means extending containment activities over the 90 days. NORMA Group reserves the right to modify containment requirements based on commodity, part quality, and customer requirements.
4. Suppliers may exit new production containment if they achieve zero defects at the point of containment after mass production approval, unless otherwise specified by NORMA Group. The counter is reset, and containment starts from zero, if defects are found at containment during this time.
5. Suppliers are required to submit inspection data with each lot shipped to the NORMA Group receiving site. This should include variable measurement data, where applicable.
6. Suppliers shall develop action plans to address failure modes or capability improvement needs.

Suppliers shall label “New Production Containment Parts” with Pre-Launch Containment Samples labels (See 6.1 Supporting NORMA Group Documents) in addition to NORMA Group directed bar code labels. Suppliers are to complete the labels as per the written instructions including Part Quantity, NORMA Group representative, Part Number, Engineering Level, Part Description, Program, and the status of required supporting dimensional, material, and testing documentation as per the Pre-Launch Containment requirements.

5.3.5 PPAP Approval

All automotive production part sample submissions shall be in accordance with the AIAG PPAP manual requirements. A Level 3 PPAP is the default submission level unless otherwise agreed upon by NORMA Group. The PPAP package shall be supplied electronically as per the direction of NORMA Group. Supplier PPAP packages shall include all component (internal and approved sub-supplier) PSWs (Part Submission Warrant) at a minimum and may require additional PPAP documentation as per the direction of NORMA Group supplier quality or the receiving site quality department. NORMA Group will communicate PPAP requirements during, or shortly after, the Pre-Award Meeting.

NORMA Group may require nonautomotive suppliers to submit a material or component qualification package comparable to a Level 2 PPAP. The type of material or component may dictate the required deliverables. Typical requirements may be sample material, material certification, dimensional report, packaging requirements, and PSW. Bulk material PPAP requirements may be determined through Bulk Material Checklist requirements.

Suppliers shall submit PPAPs to NORMA Group supplier quality or the receiving site quality representative, and any associated PPAP sample parts shall be clearly labeled with Initial PPAP Samples Labels (See 6.1 Supporting NORMA Group Documents). Suppliers are to complete the labels as per the written instructions including Part Quantity, NORMA Group representative, Part Number, Engineering Level, Part Description, Program, and part characteristics certified.

After a successful Manufacturing Process Verification (5.3.4) and PPAP document and sample submission, NORMA Group will approve the PPAP and return the signed PSW to the supplier.

A full or interim PPAP approval is required prior to shipping series production parts to NORMA Group. Any production requirements shipped to NORMA Group prior to obtaining this approval will be rejected. Any exceptions must be documented and approved through a temporary deviation.

Supplier on-time PPAP submission is critical to the success of NORMA Group. PPAP delays and rejections should be dealt with as high priority. NORMA Group may incur charges for supplying incorrect PPAPs or not supplying PPAPs on-time as per the original committable timeline. All charges incurred by NORMA Group due to late supplier PPAP submission shall be paid by the responsible supplier.

5.4 Mass Production Control

5.4.1 Production Condition Conformity

Suppliers shall ensure that Critical Characteristics are continually monitored and controlled, and suppliers shall provide relevant evidence of conformance when requested.

5.4.2 Audit Performance Assessment

Internal Audits

Automotive suppliers shall implement a periodic internal quality audit process and provide the corresponding report when requested. The audit process shall include quality system audits, process audits, and product audits. The period of each audit shall be no more than one year.

Layered Process Audits

Automotive suppliers may be required to complete Layered Process Audits (LPAs) as a means of continual improvement and/or to meet IATF customer specific requirements. An LPA is a structured and systemic audit of a process or system that incorporates tiers or layers of operational and management level resources to promote standardization and ensure conformance to required process steps, standards, and specifications. LPAs are an effective means to identify waste, improve safety, and increase productivity. LPAs typically incorporate immediate corrective and preventive actions to address variation and promote communication through published audit evidence, reports, and action plans. Automotive suppliers may be required to utilize AIAG's Layered Process Audits Guideline (CQI-8) to develop a standardized audit format, structure, and schedule.

2nd Party Audits

Suppliers shall allow NORMA Group, an approved 3rd party representative, or NORMA Group customers the right to verify the production process and part quality at the supplier manufacturing location.

Each NORMA Group Division may have their own method to monitor product and process conformance through 2nd party audits. Automotive supplier audits are typically in accordance with

the VDA 6.3 Process Audit Tool. The overall result of the audit meets the terms of the VDA 6.3 Process Audit Overall level of compliance and downgrading rules.

NORMA Group may choose to conduct a virtual audit through self-assessment if an on-site audit is not possible. Virtual audits may be abbreviated given the many challenges associated. Multiple meetings may be necessary to complete the audit based on the availability of resources and evidence to support assessment scores.

NORMA Group may initiate a 2nd party audit based on factors such as supplier performance, safety and regulatory requirements, QMS status, the number and/or impact of claims, customer request, etc.

Additional criteria for initiating supplier monitoring and QMS development audits may be:

1. > 25 ppm for three consecutive months or three nonconsecutive months in the last six months
2. > 0 registered claims for three consecutive months or three nonconsecutive months in the last six months
3. C rating at annual NORMA Group Supplier Scoring Process
4. Request from NORMA Group receiving site management

Quality targets may be dynamic and vary based on commodity, supplier, and region.

NORMA Group may consider such factors to create a risk assessment to identify suppliers for 2nd party audits. Factors such as an assigned risk level, timing, location, and the availability of resources may impact audit scheduling.

NORMA Group supplier quality is responsible for conducting automotive supplier 2nd party audits, as per IATF and customer specific requirements, and may receive optional support of subject matter experts such as process engineers, quality engineers, program purchasing buyers, commodity managers or external support where needed.

A NORMA Group receiving site quality representative may also conduct second party audits dependent upon site location, commodity, audit format, and available audit resources.

Prior to conducting the audit, the responsible NORMA Group representative shall specify both the scope and objective of the audit. All required manufacturing steps with relevant machines, tooling and equipment required to produce NORMA Group supplied material must be freely accessible to assess conformity with specified requirements.

Audit Reports

Supplier Quality will brief the supplier of any findings at the end of an on-site audit and forward the completed audit report to the supplier via email no later than 15 working days after the audit.

Supplier Quality is obligated to follow up on the defined corrective action plan and its effectiveness, after submission by the supplier. Records of corrective actions and their effectiveness must also be retained.

Audit results could affect future and existing business. Suppliers not meeting corrective action implementation expectations will be re-revaluated.

Part Audits

Suppler component verification audits, or part audits, assess the effectiveness of advanced quality planning during serial production by highlighting and managing concerns, and confirming process capability conformance to given specifications and customer/supplier agreements. Plant Quality or Supplier Quality initiate this type of audit. The audit may take place at the NORMA Group or supplier production site in accordance with a NORMA Group site-specific part audit format, or the VDA 6.5 Process Audit Tool as per CSRs.

Part audit frequencies do not take the place of regularly scheduled process verification checks as dictated by process Control Plans. Auditors are to follow the plant specific Nonconforming Material Procedure in the event of any variance from component/material specifications.

5.4.3 Annual Re-qualification

Unless waived in writing by NORMA Group, suppliers shall perform annual inspection and testing of each active product supplied to assure conformance to all NORMA Group specified requirements (e.g. dimensional, material, performance, technical cleanliness). Inspection requirements shall be included

in the supplier's production control plan. Material testing shall be carried out by a qualified laboratory. Annual validation documentation shall be on file at the supplier and available to NORMA Group upon request. If a nonconformance is found during the annual validation, the supplier must notify the NORMA Group receiving site quality department immediately so that appropriate action can be determined and implemented.

Whenever NORMA Group is required to submit PPAP, suppliers with PPAP documentation over one year old may be required to re-PPAP as directed by the NORMA Group receiving site quality department.

5.4.4 Supplier Tooling and Gauging

Supplier tooling (dies, patterns, molds, special tooling) and gaging shall be permanently marked with a unique serial number and company name so that the ownership of each item can be easily identified. A NORMA Group or OEM asset tag may also be required for NORMA Group or OEM owned tooling.

The supplier shall establish preventive/predictive maintenance procedures on all tooling. Evidence of procedure execution shall be made available upon request. Preventive/predictive maintenance schedules and tool history records shall be documented and available for review.

No supplier tooling shall be sold or consigned to another entity without proper notification and written consent from NORMA Group. In such cases, or in case of tooling relocation to an alternate supplier location or facility, it's the supplier's responsibility to contact NORMA Group regarding potential re-PPAP requirements prior to moving the tool.

5.4.5 Sub-Supplier Control

NORMA Group suppliers are responsible for the control and continuous improvement efforts of its suppliers. NORMA Group reserves the right to visit/audit sub-suppliers. Suppliers shall document sub-suppliers through the PPAP, or alternate approval process. Evidence of sub-supplier release may be required for PPAP approval.

NORMA Group suppliers shall require their suppliers of production goods and services to conform to the requirements specified herein and must implement and document appropriate controls.

Incoming Materials – Direct Buy

Suppliers shall ensure that the materials purchased from their sub-supplier will only be processed if they meet the technical requirements as directed by the design record. In cases where NORMA Group suppliers purchase sub-supplied material under a directed buy, leveraged contract (vendor established supply using NORMA Group preferred supplier to obtain preferential pricing), or other indirect means, said vendor is not excused from complete business responsibility (legal, financial, quality).

5.4.6. Special Process Assessments

Automotive suppliers that perform or outsource special processes, such as heat treating, plating, coatings, welding, soldering, and molding are required to comply with the latest VDA and AIAG special process assessments, designed to provide a means of continual improvement, emphasizing defect prevention, reduction of variation, and waste (CQI-9, 11, 12, 15, and 23). Each supplier or sub-supplier shall complete an applicable assessment yearly. Results shall be uploaded to the eSourcing platform and forwarded to NORMA Group upon request.

5.4.7 Record Retention

Suppliers are required to maintain production part approval process (PPAP) packages, annual layout and validation records, tooling records, traceability records, engineering records, purchase orders and amendments for the length of time that the part (or part family) is active for production and service requirements plus one calendar year or a minimum of 10 years whichever is longer, unless otherwise specified by NORMA Group.

Corrective Action records are to be retained for 5 years.

Quality performance records such as control charts and inspection and test results are retained for 10 years.

The above time periods are considered “minimum”. All retention times shall meet or exceed the above requirements and any governmental requirements.

5.4.8 Product Identification and Packaging

Each container, box, or pallet of material shipped to NORMA Group shall be identified as instructed.

Unique requirements will be identified and documented by NORMA Group at the Pre-Award Meeting or through other formal communication. Further documentation may be required by means of packaging specifications developed and approved through the PPAP process.

At a minimum, the Supplier Identification, Part Number, Engineering Level, Quantity and Batch/Lot Number must be clearly legible and in bar-coded form on the production part-packaging label. All bar codes must be scanned by the supplier to verify readability.
Identification shall allow for traceability back to the raw materials lot numbers, as well as the manufacturing, inspection, and test records. The supplier shall also be able to trace where products made under similar conditions (same raw material lot, same manufacturing line/batch, etc.) were shipped. Suppliers are required to utilize and ship material on a first in first out (FIFO) basis. Sequence of batches must be identified on the packaging label by either a date code or batch/lot number. Safety related identification criteria shall conform to all government regulatory and NORMA Group requirements. No exceptions to this requirement shall be permitted unless acknowledged in writing by NORMA Group.

Suppliers shall ensure products are transported in a manner that prevents damage or deterioration. Suppliers shall maintain documentation detailing proper packaging, cleanliness level, storage, and shipping instructions. These instructions must conform to the NORMA Group receiving site requirements.

Returnable containers shall be permanently marked with the company name of ownership. Suppliers shall handle and store returnable containers in a way as to minimize damage and ensure cleanliness.

5.4.9 Certificates of Conformance

A signed certificate of conformance will be maintained on file at the supplier and may be required to accompany each shipment of specified components or materials. The NORMA Group receiving site shall determine the frequency and means of communication if material certifications are required. The certificate of conformance shall be EN 10204 3.1 compliant, and must contain the actual results of physical testing, measurements, and/or analysis specified by the contract confirming compliance with all identified requirements. The supplier shall have a system capable of retrieving and submitting the requested Certificate of Conformance within 24 hours of request.

5.4.10 Product or Process Deviations

It's NORMA Group's policy to not accept product that does not meet the requirements of the design record. Requests for temporary deviations shall be submitted to the NORMA Group receiving site for review and approval, prior to shipment using the Short-Term Deviation Request Form (See 6.1 Supporting NORMA Group Documents). Deviations may be approved for a specific period or quantity of parts. No permanent deviations are permitted.

The NORMA Group receiving site may require an 8D report with a short-term deviation request. This report shall include the identification of a clean point and how product will be identified, including how traceability will be maintained.

5.4.11 Products and Processes Change Requirement

Suppliers and sub-suppliers are not to make unauthorized changes to a product (e.g. supplier, material, etc.), or the process used to produce a product, which has been previously mass production approved by NORMA Group. This includes changes to Process Control Plans.

Suppliers shall notify the appropriate NORMA Group purchasing and receiving site quality representative of intentions to change a product or process prior to making a change. The supplier must submit a Supplier Change Request (See 6.1 Supporting NORMA Group Documents or Bravo platform) and receive written authorization to proceed prior to change implementation.

Any such change made without prior written approval by NORMA Group would constitute a breach of purchase order terms and conditions. Suppliers who do not adhere to this requirement will be held responsible for all damages, losses, and liabilities attributable to any unapproved changes made by the supplier or sub-suppliers (e.g. customer rejections, customer line stoppage penalty fees, field failures costs, warranty expense). In addition, the supplier may be placed on New Business Hold until the systemic issue is addressed.

5.4.12 Contingency Plans

Suppliers are required to prepare documented contingency plans (e.g. utility interruptions, labor shortages, key equipment failure and field returns) to reasonably protect NORMA Group's supply of product in the event of an emergency, excluding natural disasters and acts of God.

5.4.13 Job Set-up Verification

Supplier shall verify material conformance at job set-up, material changeover, job change, a work stoppage, or modification to the production process (changes in input material lot, die, shift, etc.). Work instructions shall be available for set-up personnel, who shall subsequently use statistical methods for verification. The resulting data collected from these checks must be stored and reviewed to seek out patterns or trends driving towards conformance thresholds.

5.4.14 Continuous Improvement

Suppliers shall continually improve quality, delivery, cost, and other services provided. To aid in fulfillment of this requirement the supplier shall establish, monitor, prioritize, and act upon key performance objectives and targets. The supplier shall establish the objectives and targets based on business plans, management systems, product quality, process capability, and customer satisfaction goals. Actions taken to regain previously sustained levels of performance are corrective actions, not continuous improvement.

NORMA Group reserves the right to visit any supplier site to assess its continuous improvement programs and lean manufacturing practices and make recommendations for improvement. In addition, NORMA Group may deploy personnel to focus on specific improvement activities. In most cases, savings generated from these exercises will be shared between NORMA Group and the supplier.

5.4.15 Workplace Organizational Method

All NORMA Group suppliers are expected to maintain their premises in a state of order, cleanliness, and repair, consistent with the product and manufacturing process needs. NORMA Group reserves the right to perform a 5S audit to assure conformance to this requirement.

5.5 Supplier Problem Solving and Avoidance

5.5.1 Problem Solving Method and Timeline

Suppliers shall have trained personnel with the ability to quickly and permanently resolve product and

process issues using data driven problem resolution tools and techniques. Automotive industry suppliers shall have a minimum of one associate formally trained by a 3rd party source, such as an OEM or AIAG, to lead the cross functional team through the corrective action process. All suppliers shall conduct problem resolution activities using a defined, structured process such as the 8D process, Six Sigma DMAIC (Define, Measure, Analyze, Improve and Control), or any process that includes verification of the root cause and validation of corrective action effectiveness.

In the event a NORMA Group receiving site identifies a nonconforming condition, the NORMA Group team may issue a non-conformance report (NCR). The NCR will come in the form of a formal notice listing the problem description with evidence to support the claim. The NCR will give direction as to the necessary follow up actions to support and address the issue including containment and timing requirements.

Timing to answer a non-conformance report (if not otherwise agreed):

- 24 hours after notification to confirm receipt of the complaint and feedback on immediate actions
- 5 days after notification to give feedback on root cause analysis
- 10 days after notification to give feedback on corrective action

Root Cause analysis and actions must cover occurrence and non-detection (escape) reasons for the non-conformance and identify root cause through techniques such as an Ishikawa Diagram (fish bone) and 5-why analysis.

If not otherwise agreed, any shipments after the implementation of corrective actions must be clearly labeled with minimum information of the applied corrective action and inspection. This must occur for a minimum of 3 deliveries.

Data driven techniques should also be used during the process design, verification, and validation phases of the APQP process to prevent problems with new or changing products and processes. These data driven tools and techniques include but are not limited to: Failure Mode and Effects Analysis (FMEA), Measurement System Analysis (MSA), Statistical Process Control (SPC), Design of Experiments (DOE).

Product design responsible suppliers must use reliability methods during the product design,

verification, and validation phases to assure the robustness and durability of their product design for the intended application or as specified by NORMA Group.

NORMA Group may request an extra audit from the supplier's registrar in cases of ongoing performance issues. The cost of the audit will be the responsibility of the supplier.

5.5.2 Containment Requirements for Mass Production

Containment for Nonconforming Parts

Suppliers shall implement Level I Containment immediately upon notification of a nonconformance by NORMA Group.

Level I Containment shall include:

1. Submission of a documented action plan for the containment of all parts within the supply chain. This includes, but is not limited to, parts at the supplier, in transit and at the NORMA Group receiving site. The plan will include a containment data sheet and an action plan to resolve the issues detected during the containment activity.
2. Regular communication of the containment results to NORMA Group.
3. Communication of how product will be identified as quality assured/inspected by container or individual product.
4. On-site support, in conjunction with NORMA Group personnel, to NORMA Group's customers as required.
5. Utilization of a third-party inspection service when circumstances prevent the supplier from providing expedient and efficient containment.

Suppliers, whose containment actions have been ineffective, may be placed on Level II Containment.

Level II Containment includes all of Level I, with the added inspection by a NORMA Group approved 3rd party. The approved 3rd party will be contracted and paid for by the supplier. Based on the severity of the issue, NORMA Group may elect to have the supplier go directly to Level II Containment.

Suppliers shall remain in Level I or Level II containment until the implementation and validation of a permanent corrective action. Suppliers may exit from Level I or Level II containment when the following

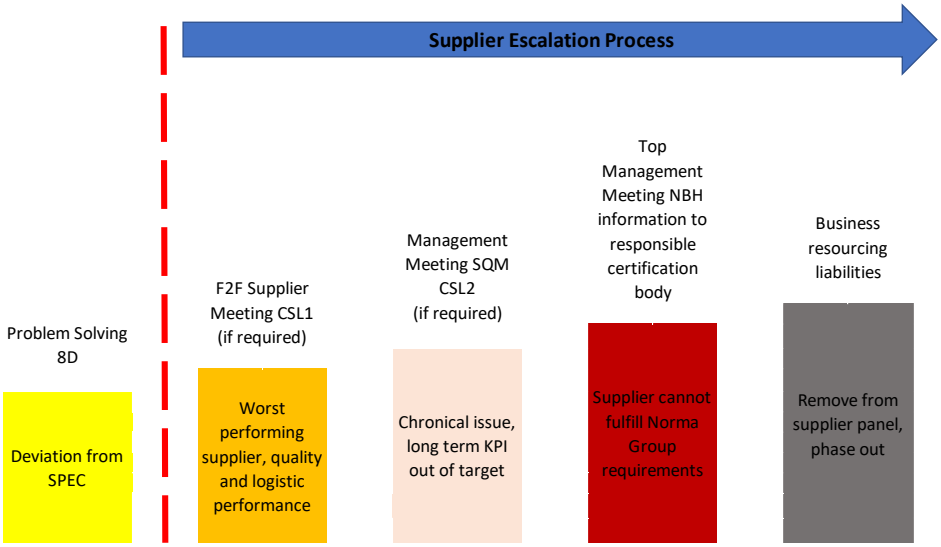
criteria have been met:

3. 30 days of production of zero defects at the point of containment unless otherwise specified by NORMA. If a defect is found at containment during this time, the counter is reset, and 30 clean days must be achieved from that point.
4. A full 8D, with supporting evidence, for the concern that caused the containment to be initiated has been submitted to the NORMA Group's receiving site and closure has been agreed.

Suppliers are required to accept all costs and charges incurred by NORMA Group associated with the containment activity such as shipping, handling, processing, reworking, inspecting, and replacing defective material including the costs of operations prior to the discovery of the nonconformance, as well as third party inspection costs.

5.5.3 Escalation of Supplier Problem

NORMA Group utilizes a 4-Step escalation process to resolve supplier performance issues (e.g., quality, delivery, etc.). The four basic steps are shown in the diagram below:



Supplier Escalation Process Guidelines

Level 1 KPIs out of Target more than 3 months
C-supplier rating by manufacturing plant
Repeated Issues despite of the already implemented CM on the same part or same family of parts
Line stoppages, safety issue, warranty issue, customer line stoppages
Poor quality of answers or lack of response,
CM not implemented according time line
APQP time line jeopardize
Major findings on supplier audit
OTD less than target
Norma customer escalation caused by supplier issue

Level 2 KPI-s out of target more than 6 months
Exit requirements from Level 1 not fulfilled
Escalation L2 by NORMA Group customer caused by supplier

Level 3 Supplier cannot fulfill NORMA Group requirements
Exit requirements from Level 2 not fulfilled
Escalation L3 by NORMA Group customer caused by supplier
Unauthorized product or process change

Level 4 Phase out

Supplier escalation process-EXIT criteria

1	2	3	4	5
F2F meeting with supplier to explain the severity of the issue Containment definition and implementation	Targets definition Supplier management commitment for improvement	Actions definition and time line agreement Regular progress reporting meetings (weekly/bi-weekly)	Reports of CM efficiency Regular reporting meetings for process stability (weekly/bi-weekly) Confirmation of target achievements	Supplier visit for verification of CM implemented Closing meeting with supplier Exit confirmation letter

Step 1 – Remedial Communication

A NORMA Group receiving site may issue a nonconformance report (e.g. Nonconformance Report (NCR), Defect Material Notice (DMN), Quality Problem Report (QPR), and Inspection Report) when receiving material or a service that fails to conform to applicable quality and delivery specifications. The supplier is required to submit a formal, interim 8D or Quick Response Concern within 24 hours of receipt of the nonconformance report.

At a minimum, this corrective action shall identify the problem, the immediate containment actions (including notifying all NORMA Group receiving sites) that have been implemented to assure nonconforming product is not shipped to NORMA Group, and the potential root cause(s) for occurrence and non-detection (escape) of the problem. For nonconformances related to Motor Vehicle or Environmental Safety or which cause a major disruption (e.g., stop shipment, line shutdown, yard holds), an action plan is required immediately after notification.

Costs and charges incurred by NORMA Group associated with shipping, handling, processing, reworking, inspecting, engineering verification and replacing supplier responsible defective material, including the costs of operations prior to its discovery, are the responsibility of the supplier.

Step 2 – Working Meeting

A working meeting is a NORMA Group plant led activity to address specific supplier performance issues not resolved in a timely fashion at Step 1. Working meetings focus on the development of an action plan to prevent or eliminate the root cause of the issue. The supplier is expected to submit periodic updates until the issue is resolved. The frequency of updates, based on the issue severity, is determined by NORMA Group.

Step 3 – Escalation Level I

Escalation Level I is a NORMA Group plant led activity to address supplier performance issues not resolved in a timely fashion at Step 2. The purpose of an Escalation Level I Meeting is to identify, and mutually agree to, all actions required for the permanent resolution of the systemic issues that led to the supplier's unsatisfactory performance. The supplier shall come prepared to address the following:

1. Summary of events relating to the supplier's performance concerns.
2. Completed 8D or Problem-Solving Report including containment actions, root cause analysis, corrective action and verification data and status.
3. Preventive action plans and status to address systemic root cause(s)
4. Strategic improvement plans

At the Escalation Level I Meeting, NORMA Group and the supplier must agree on the Exit Criteria. Action plans that exceed 90 days duration may require supplier justification and may warrant interim Escalation Level I Meeting reviews. The supplier is expected to submit periodic updates until the issue is resolved.

During Escalation Level I, NORMA Group has the right to require the supplier to 100% sort at the NORMA Group receiving site before receipt to reduce the quality risk. The supplier shall be responsible for all sorting costs.

Step 4 – Escalation Level II Meeting

Escalation Level II Meeting is a corporate led activity involving the Executive Management of both NORMA Group and the supplier. The meeting addresses issues not resolved in a timely fashion during Step 3.

The supplier may be prohibited from bidding on new business and/or may be in jeopardy of losing current business at this stage of the 4 Step process. Suppliers who do not show improvement within 3 months of an Escalation Level II Meeting are automatically placed on New Business Hold. Suppliers who are placed on New Business Hold must remain in tolerance for six consecutive months to be removed from New Business Hold. Suppliers will be formally notified by their NORMA Group buyer when they are placed on, or removed from, New Business Hold.

In the case of repeat quality issues during Escalation Level II, NORMA Group has the right to require the supplier to 100% sort at the NORMA Group receiving site before receipt to reduce the quality risk. The supplier shall be responsible for all sorting costs.

NORMA Group may notify the supplier's registrar and request an audit in cases of ongoing performance issues. The cost of the audit will be the responsibility of the supplier.

5.6 Supplier Performance Monitoring

NORMA Group production suppliers shall monitor their performance yearly on the NORMA Group Supplier Performance Rating (SPR) website located in the eSourcing platform.

To monitor their performance, a supplier must:

1. Confirm registration status in the NORMA Group eSourcing platform. Registration is free of charge and must be complete for each supplier site to NORMA Group.
2. Begin shipping production product to NORMA Group.
3. Login to the eSourcing platform when notified that new scores are available. Each NORMA Group receiving site creates supplier score cards yearly based on supplier performance from the previous calendar year.

5.6.1 Key Figures

Key figures are:

5.6.1.1 Quality

1. No. of recurring claims per year
2. Number of claims
3. Communication & responsiveness (i.e. fulfillment of PPAP requirements, response to quality issues/8D-reports)
4. Impact of claims during the last evaluation period
5. Customer "special status" notifications on ppm and special transports
6. Certifications (DIN EN ISO 9000ff, IATF 16949)
7. Error rate in PPM for measurable sizes (pcs), guideline is average PPM per month
8. Result of conducted supplier audits of the last 3 years

5.6.1.2 Logistics

1. Safety stock, Consignment stock
2. Delivery performance (Delivery on time with the right quantity in the proper condition)

3. Batch-sizes, packaging sizes
4. Communication & responsiveness
5. Packaging Conformity
6. Supply Chain Lead Time
7. Premium Freight

5.6.1.3 Purchasing

1. Global presence
2. Price Performance (Annual reductions; competitive price level and signed annual price agreement)
3. Communication & responsiveness
4. Contractual status
5. Cost transparency/NORMA Cost Breakdown template
6. Cost-saving initiative
7. Payment terms

5.6.1.4 Growth & Sustainability

1. Supplier Code of Conduct and P2P compliance
2. Ecological management/ISO 14001
3. Workplace safety/ISO 45001
4. Sustainability Questionnaire
5. In case of discrepancies the supplier is requested to contact the appropriate plant quality responsible.

5.6.2 Actions for Supplier Rating

NORMA Group conducts an annual supplier comprehensive performance evaluation. C-level suppliers shall submit improvement plans. The supplier management team, including the supplier site general manager and/or quality leader, may be required to report their systemic improvement plan onsite to the responsible NORMA Group management team. C-level suppliers may be placed on hold and forbidden to bid on new business if they fail to participate or follow an assigned development plan.

Each NORMA Group Division may have additional means to monitor supplier performance based on

customer or quality management system requirements. The process to do so shall be documented and communicated to applicable suppliers as required.

5.6.3 Actions for Supplier Development

ISO 9001 certified automotive suppliers may be chosen to participate in further development actions through the implementation of MAQMSR. MAQMSR is an assessment that aligns automotive QMS requirements with specific clauses of the IATF 16949 standard. Suppliers will first be assessed on their current yearly supplier performance evaluations, considering the figures impacting the supplier's category level. Category C suppliers whose level was significantly impacted by Quality or Logistics scores will be prioritized. Suppliers will then be assessed on regional spend from the current yearly evaluation period. Suppliers shall complete and submit the assessment to their respective purchasing and supplier quality representatives. Actions to address any failure to meet assessment criteria will be managed through regular team meetings and an associated action plan. Follow up supplier visits may be required to verify any actions and evidence as per the completed action plan.

5.7 Warranty and Cost Recovery

Requirements for warranty and cost recovery are identified on NORMA Group contractual documents. NORMA Group may identify other specific warranty requirements at the Pre-Award Meeting. In some cases, a separate warranty sharing agreement may be required by Purchasing and/or the Business Unit.

5.7.1 Charges for Supplier Responsible Nonconformances

The following are prerequisites to a supplier debit:

1. The supplier is formally notified of a concern either by phone, fax, E-mail, or Postal Service
   a. The notification shall include details of the nonconformance: Problem description, defect quantity, who identified the defect, the location at which the defect was identified, etc.
   b. Samples or photos are forwarded along with the appropriate reject documents, as available
2. Supplier responsibility is determined by:
   a. Supplier acceptance of concern responsibility
   b. No written response by the supplier within 5 business days after receiving notice

c. The NORMA Group MRB (Material Review Board), consisting of representatives from but not limited to purchasing, quality, production, engineering, and management departments, etc.

An appropriate charge may be imposed by the NORMA Group receiving site for the following reasons:

1. Non-Conformance Report (e.g. NCR, DMN, QPR) or Non-Conforming Service
2. Nonconforming Product Deviation Requests
3. PPAP submission rejections, delays, or shipments of unapproved product
4. Delivery Performance Failures (in addition to any specific costs incurred by NORMA Group associated with the failure)
5. Receiving discrepancies
   a. Packing slip discrepancies or no packing slip submitted with the shipment
   b. Bar code label error or label not supplied per NORMA Group requirements
   c. Incorrectly labelled containers – label vs. actual container content
   d. Material shipped in a manner other than FIFO
   e. Certificate of Compliance/Analysis missing with shipment when required

(Note: A reject report may not be issued in the event of receiving discrepancies, however, the supplier will be notified via written communication.)

A supplier, who causes a NORMA Group line shutdown, may be required to reimburse NORMA Group for the full cost of production downtime, as well as any NORMA Group customer-imposed charges. Charges may vary based on NORMA Group receiving site location, or customer terms.

If NORMA Group’s economic loss is caused by the quality or delivery issue of a supplier's products, NORMA Group has the right to issue a claim against the supplier, including but not limited to:

1. Inspection and sorting cost, non-performance treatment fee and management fee
2. Economic losses caused to NORMA Group or its customers due to the discontinued production of NORMA Group’s production line or the production line of NORMA Group's customers
3. Expenses incurred by entrusting a third party with quality inspection for product quality improvement
4. All expenses incurred by NORMA Group in providing products to customers for re-accreditation
5. All expenses incurred from NORMA Group’s customers going to NORMA Group or NORMA

Group going to the supplier for quality improvement if the same quality defect reoccurs

6. In case of batch quality problems and recalls caused by product defects, the direct costs of recalls and preventive measures shall include, but not be limited to, liaison with customers and users, cost of parts claimed by sellers, labor and subcontracting costs of sellers, penalties and fines imposed by government departments
7. Yard campaigns and field failures
8. Scrap or rework of finished products

NORMA Group shall have the right to impose a quality penalty if:

1. Suppliers violate the rules by secretly changing raw materials or changing the engineering process of products
2. Supplier does not actively take containment and improvement measures, resulting in problem reoccurrence
3. Supplier has repeatedly delayed the improvement plan and failed to perform the promised improvement project

If a supplier believes that they have been unfairly charged for administrative fees, they may contact their purchasing representative to initiate a dispute. Note: Dispute resolution regarding actual nonconformances should be handled through the plant quality representative.

Suppliers shall give a written reply within 10 working days upon receipt of NORMA Group's notice of quality claim or penalty. NORMA Group accepts no liability if the supplier exceeds the time limit or fails to provide clear proof of innocence. NORMA Group shall have the right to directly deduct the payment. If NORMA Group's economic loss exceeds the deducted amount, the difference shall be borne by supplier.

6. Supporting Documents

6.1 NORMA Group Supporting Documents

Contact your local supplier quality representative for the NORMA Group supporting documents below:

- Supplier Quality Agreement
- Supplier APQP Status Checklist
- Pre-Launch Labels
- Short-Term Deviation Request
- Supplier Change Request
- MAQMSR Assessment

6.2 Supporting Industry Documents

Non-automotive suppliers

- Quality System Requirement ISO 9001

Automotive suppliers

- Quality System Requirement ISO 9001
- Quality System Requirement IATF 16949
- AIAG Production Part Approval Process (PPAP)
- AIAG Advanced Product Quality Planning and Control Plan (APQP)
- AIAG Potential Failure Modes and Effects Analysis (FMEA)
- AIAG Measurement Systems Analysis (MSA)
- AIAG Fundamental Statistical Process Control (SPC)

7. Supplier Requirement Summary

NORMA Group Supplier Quality Manual requirements are listed below. Consult with your supplier quality and purchasing representatives for further clarification.

Section	Automotive	Non-Automotive	Water
1	X	X	X
2	X	X	X
3	X	X	X
4.1	X	X	X

Section	Automotive	Non-Automotive	Water
5.3.4.4	X	X	NA
5.3.5	X	X	X
5.4	X	X	X
5.4.1	X	X	X

4.2	X	X	X	5.4.2	X	X	NA
4.3	X	X	X	5.4.3	X	X	X
4.4	X	X	X	5.4.4	X	X	X
4.5	X	X	X	5.4.5	X	X	X
4.6	X	X	X	5.4.6	X	X	NA
4.7	X	X	X	5.4.7	X	X	X
5.1	X	X	X	5.4.8	X	X	X
5.1.1	X	X	1	5.4.9	X	X	X
5.1.2	X	X	NA	5.4.10	X	X	X
5.1.3	X	X	X	5.4.11	X	X	X
5.1.4	X	X	2	5.4.12	X	X	X
5.2	X	X	X	5.4.13	X	X	NA
5.2.1	X	X	X	5.4.14	X	X	X
5.2.2	X	X	X	5.4.15	X	X	X
5.2.3	X	X	X	5.5	X	X	X
5.2.4	X	X	X	5.5.1	X	X	X
5.2.5	X	X	X	5.5.2	X	X	X
5.2.6	X	X	NA	5.5.3	X	X	X
5.2.7	X	X	NA	5.6	X	X	X
5.2.8	X	X	X	5.6.1.1	X	X	X
5.3	X	X	X	5.6.1.2	X	X	X
5.3.1	X	X	3	5.6.1.3	X	X	X
5.3.2	X	X	X	5.6.1.4	X	X	X
5.3.3	X	X	X	5.6.2	X	X	X
5.3.4	X	X	X	5.7	X	X	X
5.3.4.1	X	X	NA	5.7.1	X	X	X
5.3.4.2	X	X	NA	6.1	X	X	NA
5.3.4.3	X	X	X	6.2	X	X	NA

Applicable / Required – X

Not Applicable / Not Required – NA

1. Fourth paragraph – NA
2. Note 2 – NA
3. Second paragraph – NA

8. Revision Record and Approvals

Version	Date	Author	Comments
4	11.4.2010	Georg Mesch	Plant Manager Germany updated Plant Manager China updated
	13.9.2010	Georg Mesch	NORMA Polska updated and DSV Polska added
5	27.1.2011	Georg Mesch	Annex 5 and 11 : Sea freight : K+N ; Breeze out in address list ; Indien geändert
6	1.4.2011	Sabine Biewer	Quality Director added ; NORMA Group Czech updated
7	6.5.2011	Sabine Biewer	Address NORMA Serbia added
8	23.5.2011	Sabine Biewer	Site addresses removed
9	29.6.2011	G Mesch	Part for QM added Section « B » - deleted last sentence which was the reference to the QS-assurance agreement
10	6.9.2011	Sabine Biewer	B NORMA Germany GmbH changed to NORMA Group B 3.3 PPS system changed to ERP system B 4.4 'in German law' added to § 286 BGB C 1.2 EDP changed to EDI C 3.1 Chapter on label generator removed
11	30.01.2012	Sabine Biewer	Director Logistics/Quality changed to Vice President 3.1 Production times regulation removed 4.4 Reference to §286 BGB removed E Appendices substituted by 'Interface Agreement to Customer' and contact person for Poland removed

Version	Date	Author	Comments	
12	24.07.2012	Sabine Biewer	D 13 “in case of two Q3 ratings…” removed D 14 new paragraph “Escalation of Q3 Suppliers” added	
13	01.11.2012	Sabine Biewer	D 5 new paragraph “written approval from NORMA Group” added	
14	29.01.2013	Benno Klier	D 1 addition on quality of purchasing parts/materials D 2 suppliers quality assurance system added D 3 certificate 3.1B according to EN 10204 for material deliveries D 5 paragraph on charges for extra costs due to delayed initial sampling or rejected PPF’s/PPAP’s or initial samples D 13 criterions and calculation for supplier rating added D 14 paragraph on escalation of C suppliers updated D 15 paragraph on supplier product liability & contact added E 3 criteria for supplier performance rating added	
15	03.09.2013	Sabine Biewer	4 “Regulation (EEC) No. 3351/83” changed to “Council Regulation (EC) No. 1207/2001 of 11 June 2001”	
16	20.JAN.2014	Group Review	Cover	Added Norma Group VP Purchasing
			D 2, 5	Incorporation of NORMA Group Americas Quality Requirements
			D 2.2	Low impact defined based on FMEA Severity
			D 3	PPM performance
			B 7, D 2, D 13	Incorporated supplier ratings (was D13), clarified assessment, i.e. evaluation and ratings
			B 6	Health and Safety Requirement Added
			C 5.2	Wood Materials Requirement Updated
			D 2.4	Eliminated Grandfathering on Quality Systems Requirement
			D 5.1	Yearly requalification to be documented in Control Plan in PPF/PPAP submission
			B 5	Concept in case of emergency emphasized
			All	Formatting, fonts, numbering, heading, spacing, pronouns standardized. Single column format.
			E 1	Replaced form with table
			E 3	Formatting and criteria updated
17	14.07.2014	Group Review	B 3	Disposition process and safety stock updated

Version	Date	Author	Comments	
			C 1.2	Supplier portal added
			C 2	Transport handling updated
			C 3	Delivery note updated
			C 4	Origin of goods and preferences updated
			E 1	Logistics Interface Agreement added
			E 2	Contacts NORMA Group
			D 2.4	Wording changed
			D 5.1	Yearly Requalification to D 5.3
			D 5.3	IMDS, REACH, Dodd-Frank, etc. demand added
18	23.07.2015	Markus Wipfler		Name of document changed
			C 5.1	Single carton weight 33 pound/ 15 kg amended
19	11.11.2015	Daniel Levine	B 7	vendors have systems for assessing their suppliers
			D 2	when TS/ ISO/ OHSAS not in place, suppliers must apply for NORMA's waiver
				edit opening to state: "… by accredited 3rd party..."
			D 2.1	edit opening to state… "(… 15 (welding), 23 (molding))…"
				in cases where CQI not in place, NORMA's suppliers must formally apply for waiver
			D 2.3	edit opening to state "… and including the supplier's self-survey (submitted to NORMA in advance of onsite audit),…."
				NORMA has right to audit the vendors QMS, Manufacturing, Sub- / outside supply, IT, Continuous Improvement. NORMA has right to visit any subordinate supplier of our vendors.
			D 4	where vendor procures material under directed buy, leveraged contract or other, vendor not excused from business responsibility

Version	Date	Author	Comments	
			D 5.2	edit opening to state "..., pass line engineering trials, successfully complete lab testing, and achieve customer approval…."
			D 5.3	edit second sentence to "…, RoHS, Conflict Mineral Compliance Reporting ….”
			D 6.1	edit opening to state "... (any facility performing self-calibration or outside services requires NIST ISO17025 lab, or NORMA waiver) …"
			D 10.1	supplier shall have a system to qualify an Approved Vendor list, and incoming inspection for production conformity. use of NORMA referred sources does not relieve Supplier of ensuring the quality."
			D 10.2	- "NORMA reserves right to charge back suppliers even when vendor making unapproved change”
			D 13	resource shall be available to answer NORMA communication within 1 business day, in emergency cases escalation
			new (D 14)	Resource Capabilities Following requirements of ISO/ TS supplier shall put into process: ● list of job competencies: ● training: ● evaluate:
			new (D 15)	Workplace Organizational Method (5S) NORMA vendors expected to maintain premises in order, cleanliness and repair. NORMA reserves the right to perform a 5S audit
			new (D 16)	Job Set-up Verification Job set-ups verified when initial job run, material changer, job change, modification to production process. Work instructions available for set-up, use statistical verification. The data from these checks stored, reviewed to seek out patterns.
			new (D 17)	Non-Discrimination and Business Conduct reference Supplier Code of Conduct
			new (D 18)	Continuous Improvement Supplier continual improvement plan, establish improvement goals, implementation dates and responsible personnel. This requires systems to monitor costs in the manufacture of NORMA input materials.

Version	Date	Author	Comments	
				Suppliers target must be process, quality and annual cost reduction, ultimately to assist in offsetting NORMA's economic reduction programs.
20	09.03.2016	Benno Klier	D 5	modified
			D 5.1	modified
			new (D 5.4)	Supplier change request
			new (E 4)	Supplier change request form
21	08.02.2018	Claus Hartig	C 3.1	Goods label: Added VDA4994
			Frontpage	Vice President Quality changed to Simon McMahon
22	26.09.2018	Diana Perez /Kris Matusiewicz	All	Replaced ISO 16949 with IATF 16949 across the document based on new Quality requirements.
23	17.09.2019	S. Biewer	New (D 4)	'Counterfeit Prevention' added to quality assurance of ingoing materials
			E 4	Link to 'Supplier Change Request' updated

New document: Supplier Quality Manual				
V. 1	19.05.2021	Z. Peric / K. Matusiewicz	All	Separated Logistics Quality Requirements into Logistics Requirements and Quality Requirements; Highlights Quality Manual: Added chapter: Advanced Product Quality Planning; Added direction to early production and pilot part identification and documentation; Added reference to PPAP requirements for non-automotive suppliers; Added escalation levels of Supplier Problem
2	16.03.2023	Z. Peric / K. Matusiewicz	All	Added ISO 9001 requirements for non-automotive suppliers; Added the potential need for suppliers to meet OEM / tiered CSRs; Added the potential requirement of Layered Process Audits; Specified the status of C-level suppliers if they fail to respond to development plans; Added a supplier development requirement / MAQMSR evaluation process; Added the Supplier Responsibility Matrix