Lakum AP

Quality assurance agreement for purchased input material

Elaborated by:

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1. INTRODUCTION

The common goal of contractual partners is to continuously improve the quality and reliability of the products. This can only be achieved by improving cooperation between the individual production stages and by applying quality management sastems according to IATF 16949.

The manufacturer is fully responsible for the quality and safety of the products supplied as part of its „product liability".

Product means parts and materials supplied by the manufacturer as well as services provided by the manufacturer.

This agreement serves to define Lakum-AP´s requirements for suppliers and also sets out the procedures that are desireble to ensure the quality of the parts, materials and services purchased. The main objective of this agreement is to ensure the quality of products and deliveries within the required deadlines.

1.1 SCOPE OF QUALITY

This terms and conditions apply to all companies that supply Lakum-AP with materials, semi-finished products and services that significantly affect the quality of the final product.

2. QUALITY ASSURANCE BY THE MANUFACTURER

In order to ensure the quality of the products supplied to Lakum-AP, the manufacturer undertakes to establish, implement and maintain quality management systems that are appropriate to the conditions:

- ISO 9001 / VDA 6.1 / IATF 16949

In case a company does not have a certified system according to the above requirements (standards) it must have at least the following:
- technological procedure
- control plan
- packaging procedure
- procedur efor handling complaints and managing non-conforming product.

All these documents must be accessible to the staff carrying out the activities and there must be a systém of staff training.

Lakum-AP´s Quality Department is authorized to detail the requirements for parts/materials/service in the „Product Quality Plan – Quality agreement" from if such action is necessary to ensure the specifications set forth.

The manufacturer undertakes to plan, organise and implement the production process and quality assurance on its own responsibility in such a way as to ensure comprehensive quality control and quality management and to comply with the quality assurance requirements for the product.

In the contex of quality audits carried out by the purchaser at the manufacturer, the manufacturer undertakes to provide the purchaser with information concerning the organisational arrangements for quality management and assurance, safety and environmental protection. Manufacturer also undertakes to answer any question concerning quality assurance raised during the process audit.

The manufacturer is responsible for organizing, maintaining and archiving the quality system documentation in accordance with the applicable legislation and Lakum reqiurments.
The manufacurer is obliged to allow the examination of these documents and to allow its representatives access to its production centeres in order to ascertain the degree of quality assurance of the product (comodity) at request of the customer.
The customer shall give sufficient notice of the date of the visit, but at least 3 working days in advance.

3. VERIFICATION OF FIRST SAMPLES / SUPPLIES

The release for serial deliveries will take place according to the customer's request in the form of approval of the first samples according to the specific requirement: PPAP (Production Parts Approval Process) or by meeting the requirements of VDA 2. The PPAP/VDA 2 pre-release level will be determined by the customer for each specific product.

The samples supplied by the manufacturer shall be produced under mass production conditions and shall be supplied in the agreed quantity and in specially marked packaging.
The manufacturer shall include in the first sample report the results of measurements and tests of all dimensions and parameters specified in the drawing documentation and shall inform the purchaser of any detected non-conformity.
The release and approval of the first samples shall take place by the customer after approval of the samples by the purchaser's final customer.

4. SERIAL DELIVERIES

The products (commodities) produced by the manufacturer must conform to the specifications, assigned standards, drawings and regulations.
The manufacurer is obliged to point out any unclear or errouneous points in the documents.

The manufacturer undertakes to comply with approved documentation during series production.
If the manufacturer discovers, as a part of its inspection activities, that the product (commodity) does not compl with the valid drawing documentation, it shall immediately inform the customer of this fact.
Approval of a variance for the supply of out-of-specification components may be made only upon written approval of a variance request submitted by a supplier.

The manufacturer confirms that it has a contingency stratégy in place for all emergency situations to ensure that suppliers are not compromised.

5. COMPLAINTS

5.1. IMMEDIATE ACTION FOLLOWING THE DISCOVERY OF A NON-CONFORMITY

If a non-conformity is identified in the delivered products, the purchaser will inform the manufacturer of this fact. The manufacturer undertakes to také the following measures at his own expense immediately upon receipt of this information:

- Analyse the cause of the non-conformity and inform the customer of the immediate corrective measures taken within 1 working day after receiving the non-conformity report,
- seek the customer's agreement to the proposed corrective measures,
- the analysis of the non-conformity and the re-sorting of the customer's stock will be carried out by competent representatives of the manufacturer,
- to replace the non-conforming supply with identical products in a timely manner (as soon as possible, as requested by the customer), if technically possible; to test and mark the replacement supply thoroughly; to confirm by this marking that only faultless products are involved; to discuss the method of marking with the customer,
- isolate all non-conforming products and suspected non-conforming products from conforming products in its production process and warehouses and clearly mark them,
- provide the purchaser with all documents from which the reason for the non-conformity can be traced and verified,
- comply with all testing and control measures to ensure the supply of identical products; these measures shall be maintained until the reason for the non-conformity has been eliminated and during the subsequent test period; the length of the test period shall be agreed with the customer.

5.2. CORRECTIVE MEASURES

5.2.1 Preventive measures

In the event that a non-conformity is found, the manufacturer undertakes to estabilish corrective measures within 30 days (unless otherwise requested by the customer) after receipt of the report of non-conformity, including prveventive orrective measures to prevent a new occurence of an identical non-conformity.

These corrective actions, e.g. in the form of an 8D Report, must at least include:

- information on the results of the identification and analysis of the origin of the non-compliance,
- measures to eliminate non-conformity – e.g. Poka Yoke, tool modification, etc.,
- technical measures for the proposed solutions,
- identification of the persons responsible for implementing each corrective action,
- setting implementation dates for each corrective action,

5.2.2. Temporary measures

If an action plan - 8D Report with preventive/corrective measures is not completed by the next delivery to the customer, or if the proposed measures cannot yet be complied with, the supplier shall propose an interim solution until final completion or compliance with the corrective/preventive measures.

6. SUPPLIER´S LIABILITY IN CASE OF NON-COMPLIANCE

6.1 PRINCIPLE

Notwithstanding the liability and responsibility of the supplier arising from the order, the purchase contract and other warranty arrangements, the manufacturer is liable for all damages caused by the delivery of non-conforming products in accordance with Act No. 371/17 on Consumer Protection as amended. The following applies to the extent of the manufacturer's liability:

6.2 COST INCURRED BY THE CUSTOMER, IN PARTICULAR TO REMEDY THE NON-CONFORMITY

The damages to which the manufacturer´s liability applies include, in particular, legitimate damages:

- costs associated with the rework, sorting, reworking and repair of non-conforming products delivered to the customer,
- extra costs associated with the replacement (disassembly and assembly) of the final product caused by the delivery of non-conforming products,
- damage caused by interruption of the customer's production,
- extra costs associated with extraordinary transport, if this avoids more damage,
- damage to the customer's tools and means of production caused by the delivery of non-conforming products.

6.3 DAMAGES CAUSED TO THIRD PARTIES

Damages covered by product liability include, in particular, damages claimed against the customer by a third party, a.g.:

- damage caused by manufacturers in the automotive industry,
- damages caused to the seller, the end user and damages caused by recall actions.

In such cases, manufacturer undertakes to compensate the customer for the justified damage claimed by the customer´s customer, provided that such damage is clearly proven.

7. CONTINUOUS IMPROVEMENT

The manufacturer undertakes to apply the principles of continuous improvement of products, processes and systems, in particular with regard to:

- cost optimisation,
- reduction of wastage (mismatched parts/materials, overwork and repeated errors),
- reducing production lead times,
- increasing the usability of the equipment
- optimisation of adjustment times, etc.

8. EVALUATION OF SUPPLIERS

Lakum-AP regularly evaluates its suppliers twice a year. The supplier that delivers the required commodity within the reporting period (6 months) is evaluated.
Each supplier is sent (after evaluation) an email with the results of their evaluation.

In the case of rating of CONDITIONALLY APPROVED SUPPLIER or BARRED SUPPLIER – corrective actions are required and verified by a follow-up audit.

9. TERM OF VALIDITY OF THE AGREEMENT

This Purchased Parts Quality Assurance Agreement is coming into force on the date of its signing and is concluded for an indefinite period of time.
Subsequent up-to-date versions are stored at https://lakum.cz/cz/o-firme/ke-stazeni .
This agreement may be terminated within 6 months.
Supplier contracts concluded before the expiry of this Agreement shall continue to be handled after its termination in accordance with the rules agreed herein.

10. CONFIDENCE

All information and documents on the purchased parts and other arrangements are strictly confidental, their disclosure to a third party without the consent of Lakum-AP is not allowed and will be considered as a serious breach of mutual agreements.

…… Signature date: ……..
For the supplier (signature + stamp)