

**GAMBEE**

# SUPPLIER MANUAL

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## **1 OBJECTIVE**

The document outlines the requirements and expectations of Gambée d.o.o. (hereafter referred to as “Customer”) for its suppliers.

## **2 TERMS AND CONDITIONS**

The customer considers all dealings with suppliers to be confidential. All supplier-related data must remain confidential. Any information and documents shared with the supplier are also deemed confidential. The supplier acknowledges this obligation by signing a non-disclosure agreement (NDA).

The customer expects suppliers to provide timely, high-quality deliveries that meet the specified standards and requirements.

## **3 SUPPLY AND DEMAND**

In addition to meeting technical and quality requirements, the supplier must remain competitive in terms of pricing. To facilitate this, the customer will send inquiries to the supplier and, when necessary, provide technical documentation.

The customer will issue inquiries to the supplier in the following cases:

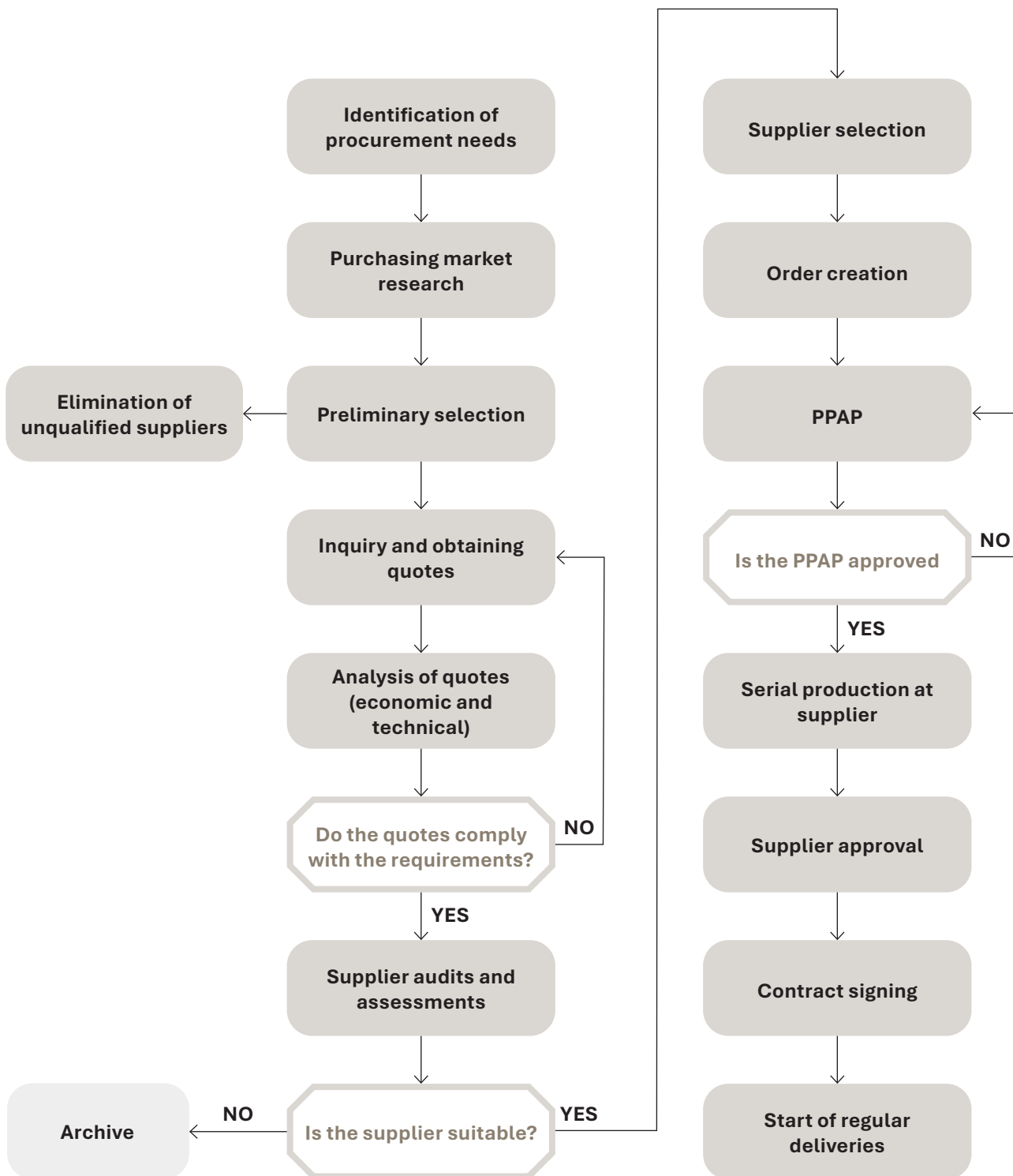
- Seeking a new supplier of components (subassemblies and assemblies)
- Modifications to existing components (subassemblies and assemblies)
- Changes to packaging and labeling
- Purchasing market analysis

## **4 SUPPLIER SELECTION**

The customer evaluates and prioritizes potential new suppliers based on the following criteria:

- Technical capabilities and quality
- Pricing and competitiveness
- Delivery performance
- Support for development (e.g., concurrent development, APQP)

A flowchart outlining the supplier selection process is provided below:



## **5 ORDER CREATION**

The customer submits an order in writing to an approved supplier, specifying the following information: (including the following details)

- Order ID
- Order date
- Scheduled delivery date
- Payment method
- Ordered items

Upon receiving the order, the supplier must provide written confirmation at the customer's request.

## **6 PRODUCTION PART APPROVAL PROCESS (PPAP)**

PPAP objective:

- Assessing the supplier's capacity to adhere to high quality standards and requirements
- A clear understanding of customers' expectations
- Establishing a reliable and consistent supply process
- Cost efficiency by minimizing redundancies
- Mutual compliance and alignment

PPAP is required when the customer determines it necessary based on the nature of a change. Regular deliveries may only commence after the process is successfully completed and confirmed in writing by the customer.

The supplier is responsible for executing the required procedures and preparing the necessary documentation. The customer will provide PPAP requirements, including submission level and documentation guidelines, in a formal request at the process initiation.

Additional guidelines:

- Samples are provided at no cost unless otherwise specified
- Samples must be packaged separately from regular orders
- The PPAP process number, as stated in the PPAP form, must be clearly visible on the packaging or product

After reviewing the documentation and samples, the customer will select one of the following options and communicate the decision to the supplier in writing:

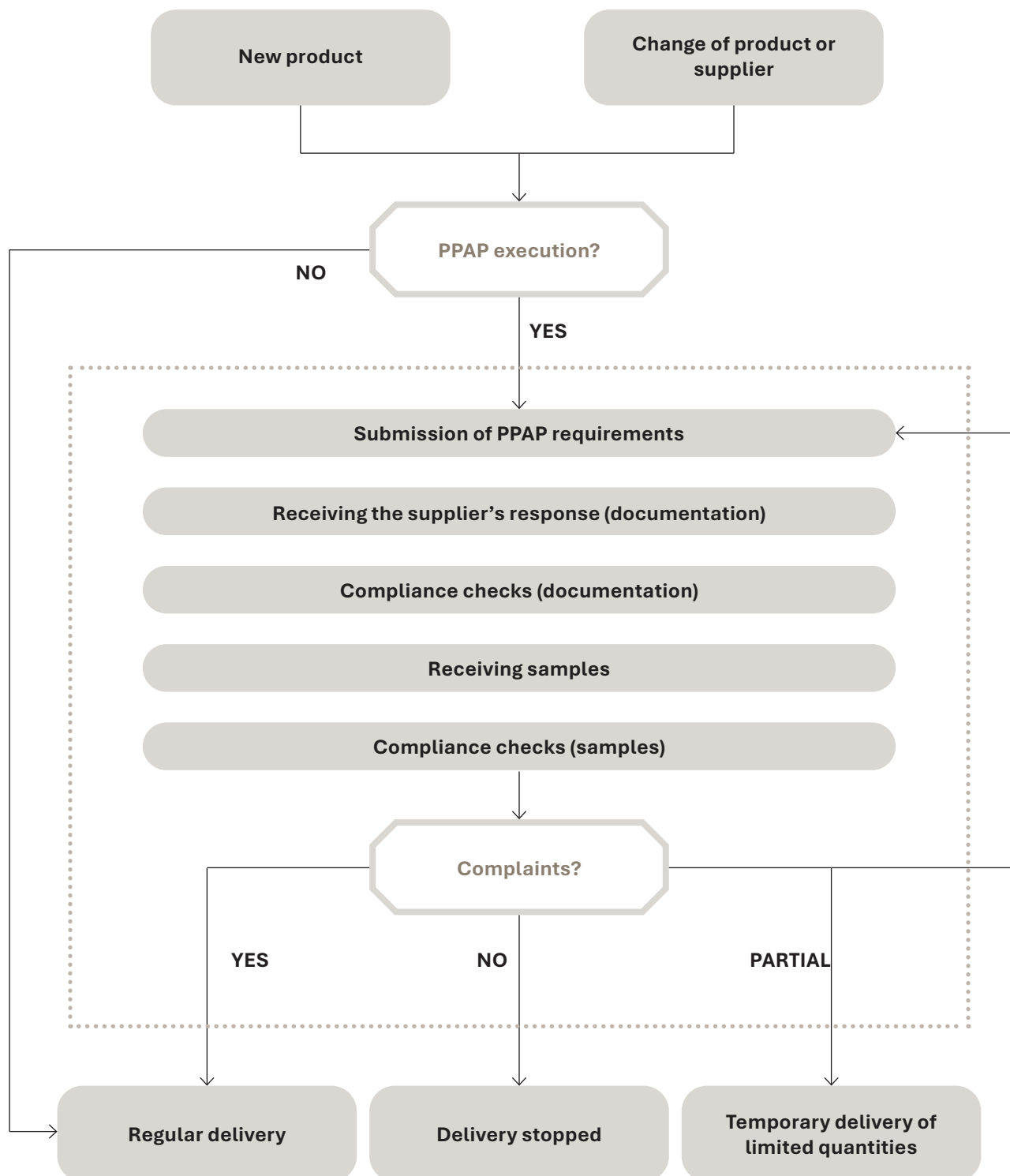


Approved	The supplier fully complies with the requirements and is authorized to commence regular production and deliveries as per the order.
Approved provisionally	The supplier does not fully meet all requirements, and only a limited quantity of products is approved for delivery. In this case, the supplier must: <ul style="list-style-type: none"> <li>• identify the root cause of nonconformity,</li> <li>• develop and submit a corrective action plan,</li> <li>• provide a new submission of samples and documentation for full approval.</li> </ul>
Rejected	The supplier fails to meet the requirements, and regular deliveries are not permitted.

The approval process may require extensive and costly product testing, which the customer must complete to authorize serial production. If repeated product sampling is necessary due to supplier errors, the supplier is responsible for reimbursing all associated expenses.

The customer is entitled to retain the approved PPAP sample as a reference or “master” sample for quality control purposes in future production. This sample will serve as the standard for resolving any quality-related disputes between the supplier and the customer.

The production part approval process is shown in the following flowchart: The following flowchart illustrates the **Production Part Approval Process (PPAP)**:





## **7 PRODUCT DELIVERY**

The supplier must deliver the ordered products to the customer's company headquarters. The supplier must deliver the ordered products to the customer's company headquarters. Each delivery must be accompanied by a delivery note detailing the shipped items. When applicable, additional documents, such as a bill of lading, should also be included.

Failure to provide complete documentation may result in the customer issuing a warning complaint or refusing to accept the delivery.

### **7.1 Packaging**

The supplier must comply with the following packaging requirements for every delivery:

- Packaging must adequately protect products from typical storage and transportation impacts.
- Packaging dimensions must be compatible with the customer's storage system.
- Each packaging unit must contain products that:
  - Originate from the same manufacturer
  - Have the same product ID
  - Belong to the same lot
- When delivering products on a pallet, the following requirements must be met:
  - Pallet dimensions: 120 x 80 cm.
  - Pallets must be equipped with frames or similar elements to ensure secure transportation and storage.
  - The total height of packaged products on a pallet must not exceed 80 cm.
  - Shipments from third countries must undergo fumigation.

Products exceeding the specified pallet dimensions or requiring alternative packaging are only permitted in exceptional cases or with prior customer approval.

### **7.2 Barcodes**

The customer uses barcodes for internal operations; therefore, suppliers are encouraged to include a barcode on the delivery note. The required barcode font is "3 of 9 Barcode".

Each barcode must include the following data:

- Customer's order ID
- Delivery note number
- Product ID and name (as referenced by the customer)
- Quantity

The table below provides an example of barcodes usage on the a delivery note:

	Customer's order ID	Delivery note number	Product ID	Quantity
Classic markings	21-0256	D1-12345	56236	6
Barcode content	*K21-0256*	*ND1-12345*	*P56236*	*0006*
Barcode				

### 7.3 Packaging labeling

All packaging units must be labeled in accordance with the customer's standards. The supplier is responsible for any additional costs or material losses resulting from incorrect labeling, packaging, or transportation.

Labeling requirements vary based on the product type:

- Standard product deliveries
- Customized product deliveries (products manufactured according to customer's design)

Each packaging unit must have a label containing the following information:

- Product ID
- Product name
- Quantity in the package
- Product designation (drawing number)
- Packing date

For non-standard products, it is recommended to include a barcode on the label with the following details:

- Product ID
- Quantity in the package

An example of barcode data formatting can be found in the "Barcode" section.

## 8 SUPPLIER NON-CONFORMITIES

The customer mandates that all supplied products conform to the specified technical and quality standards. Any non-conforming products will either be rejected or accepted with reservations. The customer reserves the right to hold the supplier accountable for any direct or indirect costs resulting from non-conformities.



Noncompliance may lead to:

- Repair or rework costs
- Production delay costs
- Lost sales cost
- Administrative costs
- Sorting costs
- Disposal or destruction costs for non-compliant materials
- Additional costs incurred due to nonconformities

If a hidden nonconformity is identified by the customer's end buyer, the customer is entitled to recover all related direct and indirect expenses, including repairs and associated services.

## **8.1 Complaints**

If a nonconformity is identified, the customer will initiate a complaint process. Complaints may be issued due to:

- Nonconforming delivered products
- Damaged items
- Quantity discrepancies
- Packaging and labeling inconsistencies
- Damaged packaging
- Missing or incomplete documentation

Nonconformities may be detected at various stages, including:

- Upon receipt of goods
- During production
- Throughout the customer's sales pipeline

Based on the resolution method, complaints are classified as:

- Warning complaints: customers use the products despite the discrepancy or modify them internally
- Product return complaints: the nonconforming products are returned to the supplier

Signing the delivery note, acknowledges receipt of goods; however, it does not confirm verification of quality or quantity.



For each nonconformity, the customer will issue a complaint report and formally notify the supplier. If products are returned, they will be accompanied by:

- Logistics documentation
- Complaint report

The supplier must collect the non-conforming products within five (5) business days of receiving notification, unless otherwise agreed. Failure to do so entitles the customer to dispose of the products and invoice the supplier for associated costs.

When delivering replacement or repaired products related to a complaint, the supplier must include a reference document specifying the written complaint report number and/or RMA code. These products should be packaged separately from standard order items.

## 8.2 Product appearance

Products or components (surfaces) are categorized into three groups based on their degree of exposure:

A	Products or components that affect the external appearance of the end product and are in direct contact with the user..	These components must meet the highest appearance standards. Any products that do not meet the specified requirements will be rejected by the customer.
B	Components that affect the external presentation of the end product and are not in direct contact with the user, as well as components that impact the internal appearance of the final product.	A high standard of appearance applies. Depending on the nature of the discrepancy, the customer may reject nonconforming items or issue a warning complaint.
C	Concealed components within the end product.	A reduced standard of appearance applies. Depending on the nature of the discrepancy, the customer may either accept the nonconforming items or issue a complaint.

Any appearance-related discrepancies that affect functionality (e.g., labeling), the customer’s production process, or the final buyer’s requirements will be rejected by the customer, regardless of the level of exposure.

## 8.3 Supplier measures

The customer expects the supplier to address any discrepancies promptly and efficiently, in accordance with the complaint report. In the event of a discrepancy, the supplier is expected to follow the procedures outlined below:



1.	Identify and describe potential causes for the nonconformity in writing	Within 3 business days
2.	Propose corrective measures to resolve the non-conformity in writing	Within 5 business days
3.	Implement corrective actions to resolve the non-conformity	Within 30 business days

Failure to respond within the agreed time frame will entitle the customer to pursue claims against the supplier for reimbursement of both direct and indirect costs incurred. If the supplier fails to resolve the nonconformity within the specified time frames, the customer reserves the right to seek credit for the affected products.

When delivering or returning products that have been subject to a complaint, the supplier must include documentation referring to the original delivery note number.

The customer may request the supplier to resolve the complaint using the 8D procedure. In such cases, the supplier is required to complete and submit the 8D report, and to implement necessary corrective actions. If the supplier has their own internal 8D report form, it must meet the customer's specifications. If it does not, the supplier must use the customer's provided form. The 8D report must be completed and submitted within 45 days of the request (unless otherwise specified), detailing the corrective actions taken and their effectiveness.

If the corrective actions taken by the supplier are found to be inadequate through subsequent deliveries, the supplier must permit the customer to:

- Conduct an audit of a process or system.
- Obtain insight into the production process and documentation to prepare a collaborative corrective and preventive action plan.

## **9 PRODUCT CHANGES BY SUPPLIER**

The customer expects continuous improvement efforts from its suppliers to enhance product quality and reliability. Suppliers are required to notify the customer of any organizational changes that may affect the technical suitability and quality of the product.

This includes the following:

- Changes to production locations
- Changes to sources or sub-suppliers
- Technological or manufacturing process changes

Any changes to the product must be made only after prior approval, in compliance with the production part approval process. This approval is required for:

- Component replacements
- Construction modifications
- Product revisions



All notifications of changes must be submitted using the form specified by the customer.

## 10 SUPPLIER EVALUATION

The purpose of the supplier evaluation is to monitor and encourage suppliers in achieving business excellence and meeting the customers' requirements. We assess the quality of products delivered by evaluating each delivery. This data is critical for implementing corrective actions with the supplier when necessary.

The customer conducts an annual evaluation and shares the results with suppliers for review. The evaluation is based on specific criteria as outlined below:

- Product quality
- Pricing and payment terms
- Order confirmations
- Punctuality
- Quantitative accuracy
- Mastering quality management systems (QMS)

Criteria weights:

Criteria	Product quality	Pricing and payment terms	Order confirmation	Delivery punctuality	Quantitative accuracy	Mastering QMS
Maximum number of points	30	20	15	10	10	10

Based on the evaluation scores, suppliers are classified into four categories: A, B, C, and D:

Class	Overall rating	
A	Rating $\geq$ 90%	Reliable supplier; eligible for new projects
B	75% $\leq$ Rating $<$ 90%	Less reliable supplier: improvement plan required
C	60% $\leq$ Rating $<$ 75%	Unreliable supplier: strict improvement plan required
D	Rating $<$ 60%	Unacceptable supplier: a search for a new supplier is started

**Class A suppliers:** These suppliers will receive priority in procurement, involvement in new projects, and the opportunity to obtain new orders.

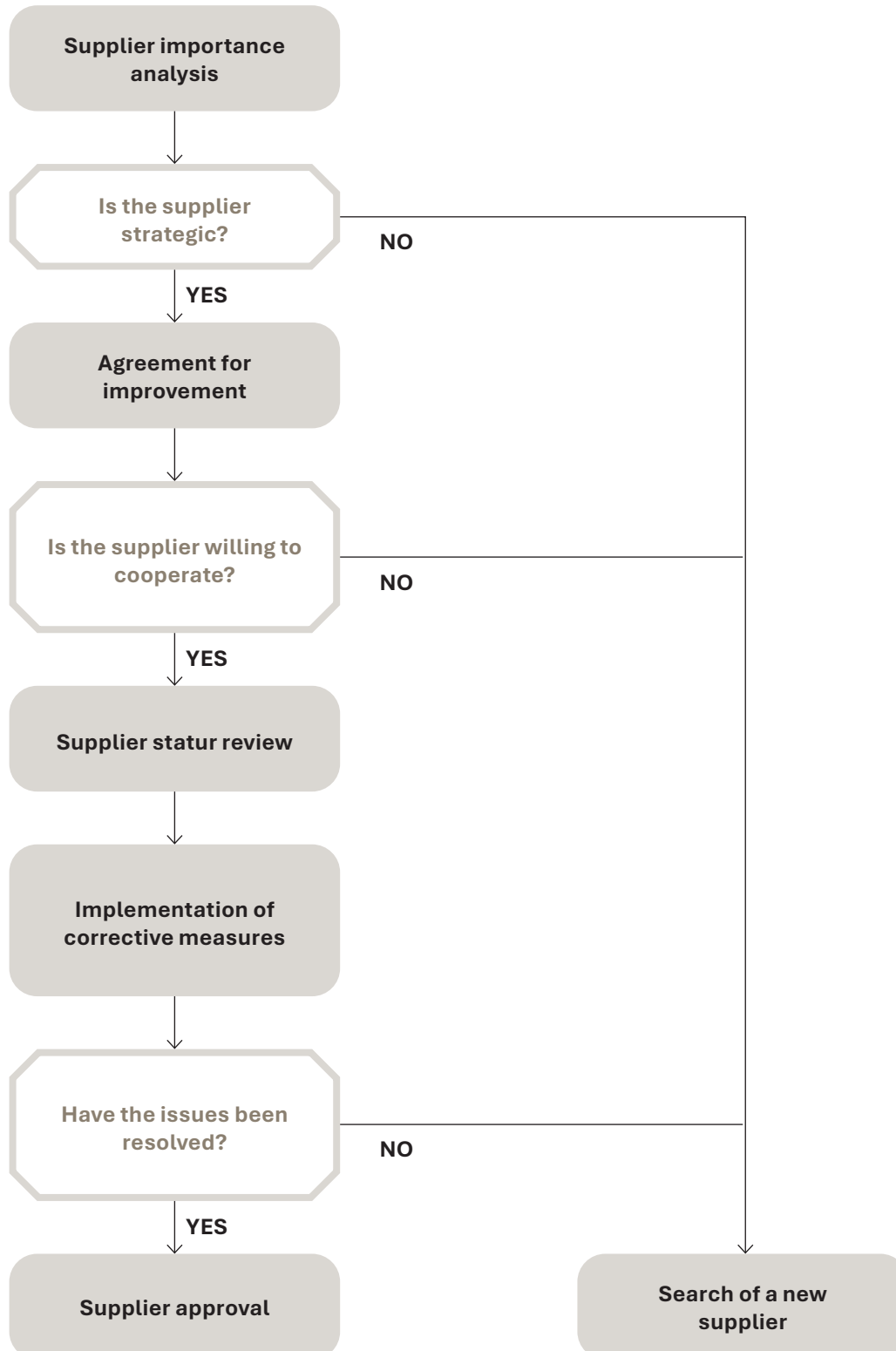
**Class B suppliers:** Suppliers in this category must submit an annual progress plan, detailing areas for improvement and the timeline for implementation.

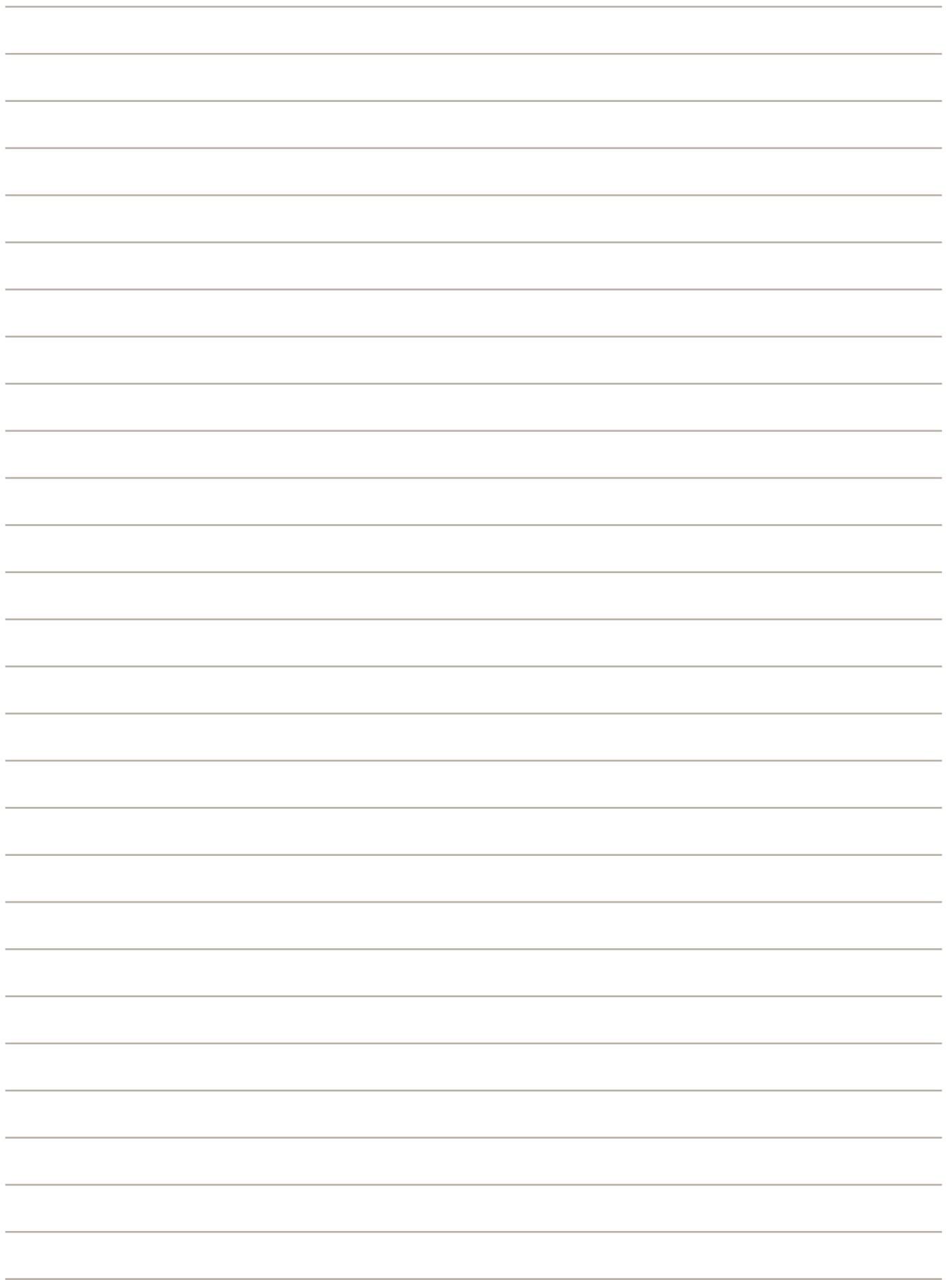
**Class C suppliers:** These suppliers are considered critical. An audit will be conducted at the customer's request. If the supplier fails to cooperate, the procurement process will be initiated with an alternative supplier.



Class D suppliers: Suppliers in this category are excluded from the list of active suppliers. Orders will be interrupted, and efforts will be made to find a new supplier.

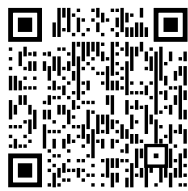
The supplier evaluation process is illustrated in the following flowchart:







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