

Supplier Quotation Requirements for non-chemical components



Wherever the name "proseat" is used it refers to all of its affiliated and related entities, namely proseat GmbH & Co.KG, proseat n.v., proseat SAS, proseat s.r.o., proseat LLP, proseat Schwarzheide GmbH, proseat SP.z.o.o. proseat foam manufacturing S.L.U.

1.0 MANAGEMENT MESSAGE:

This document is effective in addition to the *proseat Supplier Requirements Manual* and *proseat General Purchase Terms*. Business may be awarded only to proseat approved suppliers.

NOTE: Additional proseat sites or Business Units may mandate additional requirements on their Purchase Order or other written supply agreements. If any deviation from these requirements exist there has to be a written agreement signed by proseat Purchasing.

1.1 How to become/stay a proseat approved supplier?

- the proseat supplier self assessment sheet (Supplier_information_Chap_2) must be submitted
- the supplier successfully passes the supplier assessment (C_PUR_002)
- submission of financial information including yearly update
- acceptable performance during supplier evaluation process

2.0 Request for Quote (RFQ):

Quotes to be considered must answer all elements of the RFQ and have to comply with the supplier requirement manual, general purchasing terms and are based on the following provisions:

3.0 Prices:

All prices are to be quoted in € unless otherwise specified.

- 3.1 Serial prices: Unless otherwise requested all prices are to be ddp receiving proseat plant. A cost breakdown will be provided at request at any stage of the RFQ process or life of the awarded business. proseat reserves the right to nominate the forwarder.
- 3.2 Tooling cost: The supplier will provide at request a detailed list of items quoted tools consist of. A cost breakdown will be provided at request at any stage of the RFQ process or life of the awarded business. proseat may alternatively request amortization of tooling expense over the piece price over an agreed period years/pieces.
- 3.3 Sample prices: Samples produced in order to evaluate a supplier's suggestion are to be provided free of charge within 2 weeks. Samples during pre-serial production cannot be charged higher than 2 times the amount of the serial price. After nomination, only serial prices are accepted.
- 3.4 Spare parts are to be delivered at serial prices unless an agreement is found upon EOP.
- 3.5 LTA proposal: the supplier will submit his LTA proposal upon quotation
- 3.6 Quote confidentiality: At no time shall the supplier make quote details on offers made to proseat available to 3rd parties

4.0 Leadtimes

- 4.1 All leadtimes as per the supplier's quote are binding.
- 4.2 If a delay per supplier's responsibility after nomination causes additional expenses at proseat, proseat reserves the right to charge these costs to the supplier.

5.0 Subcontracting

No subcontracting is allowed until written approval is obtained at proseat. All details on the subcontractor must be made available. proseat reserves the right to visit and audit the subcontractor according to the *proseat supplier approval process* and *readiness review*.

6.0 Tooling Quotation

- 6.1 All tooling purchased by proseat must be clearly identified and labeled as proseat property and are based on the following requirements:
- 6.2 Tools must be kept available until 15 years after EOP at suppliers expense in order to be ready to accommodate for spare parts requirement. In no cases should tools be disposed off unless written approval of the OEM is obtained.
- 6.3 The supplier agrees not to supply 3rd parties out of tools paid by proseat without written approval from proseat.

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7.0 Capacity

- 7.1 Quantities stated in the RFQs are forecast figures from the OEM and do not represent a guaranteed call-off quantity.
- 7.2 The supplier is to consider peaks of +20% in the quote and tooling set up.
- 7.3 A capacity statement may be required.
- 7.4 Safety stock at supplier's expense may be required depending on OEMs requirements and risk analysis. proseat reserves the right to demand for a reasonable minimum stock in order to limit risks. For remote suppliers a safety stock near the receiving proseat premises may be required.

8.0 Deliveries

- 8.1 Unless otherwise requested, the supplier's quote is based on weekly deliveries. If the supplier sees advantage to agree on a different delivery pattern, proseat shall expect a respective suggestion clearly stating the cost advantage.
- 8.2 A lot size should be agreed according to the approved packaging proposal and considering best prices, supply and taking into account the receiving plants warehouse situation.
- 8.3 Consignment Stock at either proseat or external warehouse is the preferred delivery term at Mlada Boleslav, Trilport, Rüsselsheim, Espelkamp, Santpedor, Czechowice-Dziedzice and Schwarzheide. The supplier shall be prepared to administer stock based on the usage quantities communicated by the plants' material departments, always keeping stock between the agreed min and max stock quantities.
- 8.4 The supplier should be prepared to work towards a release management by EDI.

9.0 EOP/Obsolescence

- 9.1 Suppliers quotes must be based on a material authorization not exceeding 4 weeks supply of finished goods plus 8 weeks raw material and comprehend a customary fade-out at end of production.
- 9.2 A written agreement must be made for all materials requiring extended authorization. No obsolescence can be claimed- for finished goods/materials exceeding the supply period above-mentioned.
- 9.3 During fade-out period the supplier will be ready to strictly follow the plant's call-offs without charging additional costs (be it odd quantities, transport, set-up cost etc).
- 9.4 Depending on the OEM a different concept may apply instead.

10.0 Invoicing

- 10.1 Tooling invoices will be issued and released for payment only after full PPAP approval including approval IMDS data entry
- 10.2 Should an overshipment be accepted, due date of invoice will be changed according to the expected delivery date without affecting discount terms.
- 10.3 Incorrect Invoices will be returned to the supplier without acceptance
- 10.4 Invoices for faulty deliveries will be withheld and only paid after clearance of the details.

11.0 Payment terms

The proseat standard payment terms are 60 days net. Existing agreements remain untouched.

12.0 Duration of Nomination

proseat reserves the right to terminate the agreement at a 3-months notice should be revealed that any parameter of the agreement is no longer in-line with the market and should the supplier not agree to adjust to market conditions accordingly. If any customer of proseat terminates the contract before EOP, proseat is granted the right of termination the supplier contracts with the same cancellation period and without being responsible for any compensation.

13.0 Feasibility, VAVE

- 13.1 The supplier will evaluate feasibility of the requested part before quoting.
- 13.2 In case the supplier bases his quote on new processes or equipment not yet available the supplier will add a note accordingly on the quotation.
- 13.3 Should the supplier have knowledge of better, more cost effective, safer or more ecological ways of producing the product, proseat is expecting respective suggestions in addition to the requested version.
- 13.4 The supplier is required to participate in VAVE studies.

14.0 Confidentiality

- 14.1 All details, technical and commercial, are to be kept confidential.