

## **1. PURPOSE**

This handbook has been created in order to create a working environment based on the understanding of partnership with our suppliers and to determine our relations in this context, to develop them and to reflect this working environment to our customers.

## **2. SCOPE**

Level 1 covers our suppliers who supply goods and services. These suppliers provide raw materials, materials and contract works (services) that directly affect the product quality of ENDOĞRU A.Ş. and their competence is approved. To guarantee the quality of their products and processes, they take, maintain and implement the measures contained in this manual. Upon our request, we will be informed of all details of these measures, such as data, records and application results. This process begins with the first sampling.

## **3. APPLICATION**

Our practices regarding our selection of suppliers are carried out according to this handbook. Our Purchasing Department is responsible for coordinating and executing this work. The selection of suppliers is made by the certification body that has accreditation "unless otherwise specified by the customer" from among the suppliers who have obtained at least ISO 9001: 2015 certificate.

Suppliers from which customers supply parts that qualify as "high criticality" are defined as "high impact" suppliers and are required to have a minimum IATF 16949:2016 certificate. Suppliers working in the same business line who have IATF 16949:2016 certificate can be preferred. In addition, in line with customer demands, ISO 14001 environmental and / or ISO 45001 occupational health and safety management system certificates may be requested from some of our suppliers. Suppliers are responsible for notifying ENDOĞRU A.Ş. of all newly purchased or revised quality system certificates. In addition, ENDOĞRU A.Ş. suppliers can ensure document timeliness with annual checks.

### **3.1. Company Information Form:**

In order to get to know our suppliers technically and commercially, a Supplier Information Form has been issued for our suppliers, who are production and service companies. At the beginning of the study for the suppliers to be included in the supplier portfolio, the Purchasing department transmits the Supplier Information Form to the supplier candidate. The supplier candidate fills out this form, signs it and sends it back to the Purchasing department.

### **3.2. Company Visit and Supplier Selection:**

After the evaluation of the company information form, our Purchasing and Quality departments visit the company to observe the possibilities of the supplier candidate if they deem it necessary. In some cases, other relevant departments in ENDOĞRU A.Ş. may also participate in these visits. The purpose of this visit is to observe the contents of the form and detail information sent by the supplier candidate. In addition, the supplier's ENDOĞRU

Inc. The topics he wants to know and learn about can be discussed in this observation visit.

ENDOĞRU A.S. and the fact that other special requests to be determined by the customer will not be fulfilled is one of the important factors affecting the supplier selection criteria. The developments of such suppliers and their actions to eliminate their deficiencies are followed. If the company reaches the desired level, it may be possible to work if the technical and commercial expectations are met.

### **3.3. Bidding:**

ENDOĞRU A.S. requests offers from suppliers using the Request for Proposal Form. In line with our purchasing data, the supplier candidate organizes a detailed price analysis and submits his proposal to the Purchasing department using this form. ENDOĞRU A.S. In order to facilitate the evaluation of the offers, detailed price analyzes are expected from the suppliers. If the supplier does not have sufficient infrastructure in this sense, ENDOĞRU A.Ş. The Purchasing Department provides them with the necessary support in terms of documentation and information.

In the annex of the Bid Request Form, the purchasing data listed below is given to the supplier candidate.

- Part drawings
- Specification and test methods
- Confidentiality Agreement

### **3.4. Approval of Offer:**

The bids of the supplier candidates are evaluated by the Purchasing department. Proposals are received from at least three companies for each project. In some special cases (the process is very specific, the time is not enough, etc.), this may change. In this form, it is clearly stated which criteria are taken into account in the selection of the supplier and with the approval of the relevant persons. If an agreement is reached, the sample order is opened to the selected supplier.

### **3.5. Customer Representative:**

The supplier will deal with the Quality and Purchasing departments, and preferably appoint a "Customer Representative" from the technical departments. Our expectations from this "Customer Representative" are:

- Storing the purchasing data transferred by the Purchasing Department and monitoring its up-to-dateness,
- Informing and training the relevant persons in the supplier company about this handbook,
- The material or service provided by the supplier is required by ENDOĞRU A.Ş. Knowledge of the "conditions of use and environment" in both the field of end use and the field of end-use; in this direction, by working in partnership with the relevant departments of ENDOĞRU A.Ş., determining the parameters to be "taken under control", ensuring compliance in measurement control systems, providing continuity to this situation through information exchange,
- Reporting "suspicious product" shipments to the Purchasing Department, following up in our business, making distinctions, etc.

- Following up all kinds of nonconformities "related to the product and process" that arise in the supplier company and corrective actions related to them and informing ENDOĞRU A.Ş.,
- In summary, to be an ambassador and representative between our company and the supplier company in terms of technical and logistical issues.

### 3.6. Initiation of the Project:

"Purchasing data" (pictures, specifications, etc.) including the Supplier Handbook and the technical documentation related to the material to be produced to the supplier candidates who are found positive. It is sent by the Purchasing Department and the up-to-dateness of these documents is recorded and monitored. Supplier Handbook also includes ENDOĞRU A.Ş. website. The supplier candidate is responsible for the preservation of these documents that he declares to have received in full, for the protection of their confidentiality against third parties and for their return in full when requested. In addition, the supplier company and ENDOĞRU A.Ş. The General Purchase Specification is signed. This specification must be signed by a person from the supplier company who has the authority to sign the signature circular. A copy of the specification ENDOĞRU A.Ş. When sending to , a copy of the company's signature circular must be sent as an attachment.

The supplier who receives this data shall submit a project plan related to the project to be worked on (including the mold, model, apparatus, first trial, first sample, PPAP presentation date and the date when it will be ready for mass production) ENDOĞRU A.Ş. Submit to the purchasing department. After the approval of this plan of ENDOĞRU A.Ş., the follow-up of the project is made according to this plan. ENDOĞRU A.Ş. may make any plan changes that may arise from customer demands. supplier and reserves the right to request a revision of the project plan. The supplier is committed at the beginning of the project without giving notice of the plan, and ENDOĞRU A.Ş. If it makes changes and delays without obtaining its approval, ENDOĞRU A.Ş. cancel the first sample order. Any financial compensation claim that may arise from this cancellation is ENDOĞRU A.Ş. will not be accepted by .

### 3.7. Sample Order and Approval

The first sample order is opened to the supplier with the First Sample Order Form by the purchasing department.

- **Special characteristics:** ENDOĞRU A.Ş. If requested by the customer, it is determined and transferred to the suppliers. Special symbols are used to describe special characteristics that affect user safety, compliance with the law, functionality, compliance and appearance.

These characteristics are; again shown with special characteristic symbols, the First Sample – In the Entrance Inspection Instruction, the control method is specified as a "company report" and conformity reports related to these characteristics are requested from the supplier in each shipment batch.

- **Dimensional evaluation:** In this study, all characteristics on the part picture should be measured. Reports should not contain statements of conformity that do not contain numerical values, and the dates and persons of the measurements should be indicated on the report. Suppliers are responsible for fulfilling all applicable

specifications. Any outcome that falls outside the acceptance criteria is a reason for the supplier not to submit parts and/or documents. If the supplier cannot meet any of these conditions, he should apply to ENDOĞRU A.Ş. about what should be done.

### **3.8. Contract and Order :**

ENDOĞRU Inc. with supplier for Level 1 materials. The General Purchase Specification and the Order Letter are signed. In the specification, the conditions related to the obligation to meet our demands regarding the product and quality system are determined in the Order Letter; transportation, price, payment terms, price update and special conditions, if any, are determined. When mass production begins, we work with these suppliers through regular programs for mass production.

Unless a contrary definition is made, this flow of information is transmitted to foreign and domestic suppliers at least six months, the first two months of which are on a weekly basis, and in the form of certainty and prediction wherever possible. Periodic programs that cover a month or less indicate the exact status.

### **3.9. Shipment, Packaging and Product Identification :**

Suppliers produce their products at the beginning of the project, ENDOĞRU Inc. in accordance with the packing instructions set by . ENDOĞRU A.Ş. will definitely receive opinions from its suppliers during the creation of packaging instructions suitable for the product they produce.

Unless otherwise agreed on the shipped packaging, ENDOĞRU A.Ş. It is necessary to use printed labels prepared by . In cases where these labels cannot be used, labels with content that support the part and traceability information on the packages should be used.

### **3.10. Technical Acceptance in Serial Shipment :**

All suppliers, together with their mass production shipments, must send the First Sample – Entry Inspection Instructions prepared by ENDOĞRU A.Ş. for the part in question and the necessary material, heat treatment, coating and paint reports. The non-receipt of these documents with the shipments will be considered as a nonconformity and will prevent the start of the entry quality control process of the materials. In such disruptions; ENDOĞRU A.Ş. reserves the right to charge a quality penalty fee of 50.000.- TL to suppliers. In the verification made by our Quality department, which makes the technical acceptance, if the content of the report is found to be inappropriate, ENDOĞRU A.Ş. their findings are considered valid. The supplier is free to prove otherwise.

In case of disruption of the production of ENDOĞRU A.Ş. due to quality nonconformities, parts that are rejected from input quality control or manufacturing; ENDOĞRU A.Ş. can always issue line stop invoices to its suppliers. In this case, the costs calculated by ENDOĞRU A.Ş. are taken as basis.

### **3.11. Engineering Approved Product Acceptance :**

Where the product or process differs from that previously approved, the supplier; ENDOĞRU A.S. The Purchasing Department may request a deviation from the Department in writing for a certain period and amount. However, in order for the supplier to request a deviation, ENDOĞRU A.Ş. is required to transmit to .

### **3.12. Responding to the Quality Problem Report:**

Entry is by the Purchasing Department for materials that are rejected from quality control, and by 8D by the Quality Department for materials that are rejected from manufacturing . With the report , corrective action is opened to the supplier.

In this sense, if deemed necessary, the 8D sent 20.000.-TL quality penalty fee may be deducted to the supplier for the report. The supplier must notify in writing of its temporary actions within 48 hours and its permanent actions within 5 working days. The effectiveness of the activities carried out by the supplier to the corrective action and the closure of the activity are carried out by the Quality Department.

The supplier must also reach an agreement with ENDOĞRU A.Ş. about what to do with the rejected products within 5 working days. Otherwise, the rejected parts will be scrapped and invoiced to the supplier.

### **3.13. Return Analysis :**

Suppliers, ENDOĞRU A.Ş. They are obliged to analyze the reasons for the returns of the products they have provided to , to carry out activities that will eliminate these reasons and to document them when requested.

### **3.14. Verification in the Supplier Area:**

Both our company staff and our customers can verify the supplied product at the supplier's site provided that they give prior notice. This validation does not remove the technical acceptance process for the product. If the non-conformity of the said party in the technical acceptance is determined, the party may be rejected and returned.

ENDOĞRU A.S. conducts annual sub-industry audits. According to this plan, it performs process supervision provided that it notifies the supplier in advance.

### **3.15. Retention of Documents and Quality Records:**

Suppliers; ENDOĞRU A.S. All input control, production control, equipment records and purchasing orders, etc. documents and records of the products they supply to the product must be kept for the period of active product + 1 calendar year. Quality performance records are also kept from the year they are formed until one calendar year later.

### **3.16. Performance Monitoring and Evaluation :**

Domestic and international suppliers who regularly ship to our company are included in the scope of performance evaluation. All suppliers are evaluated at the end of every 3 months with the participation of the Quality Department under the responsibility and coordination of the Purchasing Department. Performance results are

notified to suppliers in writing every month. ENDOĞRU Inc. for suppliers performance notifications They should contact the purchasing department.

In addition, Supplier Quality and Shipment Performance and information to suppliers are made annually. According to the results of the annual evaluation, "Supplier Quality Improvement" meetings can be organized with the participation of the relevant department representatives in quality, logistics and planning, and purchasing issues with the suppliers who fail to meet the targets. Suppliers invited to these meetings are expected to attend. The realization status of the actions to be determined after the meeting shall be determined by the relevant suppliers ENDOĞRU A.Ş. and directly affects their cooperation in future periods.

Suppliers are evaluated according to the following criteria and at the beginning of each year, ENDOĞRU A.Ş. will be valid for the suppliers for that year. The targets set by are declared. In the evaluations to be made every month, the Quality and Purchasing departments identify the most problematic suppliers with pareto analyzes and initiate the necessary actions regarding these suppliers.

#### **3.16.1 Deadline Compliance in Shipments :**

Supplier delivery performance; It is evaluated by the Purchasing Department.

#### **3.16.2 Excessive Freight in Shipments :**

Excess freight by Purchasing Department is followed by Entry Quality Control Department. If the excess freight is caused by the supplier, the freight fee is paid by the supplier or ENDOĞRU A.Ş. and invoiced to the supplier.