



# **SUPPLIER'S GUIDE**

## 1. Non-Disclosure Agreement

The NDA (Non-Disclosure Agreement): confidentiality undertaking - a document aimed at securing confidentiality of data exchanged between the Parties. The document is signed by both Parties and is a condition precedent for the commencement of cooperation.

## 2. Initial Verification of Supplier

The initial qualification of Suppliers takes place on the basis of qualification form No. F12\_01 SI 01 8.4.

Basic aspects which are verified include:

- › Company's data;
- › Primary assortment;
- › Certificates held;
- › Terms of payment;
- › Terms of delivery;
- › Documents to be submitted.

Based on the number of points received in the form, the Supplier is initially approved or rejected. After receiving 51 points, the Supplier is granted the Qualified status.

## 3. Detailed Verification of Supplier

Qualification of Supplier

Every Supplier with whom NEWAG S.A. commences cooperation is subjected to an assessment which is carried out according to the Supplier Assessment and Qualification Process.

In case of Suppliers of strategic and key materials with respect to security, the necessity of audit is reported to the Supplier Quality and Development Department.

The Supplier Quality and Development Department qualifies the Supplier via an audit of the organisation carried out by the employees of the Supplier Quality and Development Department in the course of which all areas of operation of the organisation are verified:

- › External Purchase Management Process System;
- › Quality Management System;
- › Production Management System;
- › OHS Management System, Environmental Protection and Energy Management System;
- › Project Management System.

As a result of the qualification audit, the Supplier may be assigned one of three statuses:

A: Compliant;

B: Permissible compliance;

C: Non-compliant.

After the assessment, the Supplier is informed about the result of the audit. In case of being assigned B status - permissible compliance or C - non-compliant, the Supplier is required to submit a plan of corrective actions and implement them in order to accomplish full compliance.

Information about the status of the Supplier's audit is registered in the supplier management system of NEWAG S.A. Employees of the Purchase Division may only purchase products from the Suppliers who received A status - compliant or B - permissible compliance.

## Supplier's Audit

Pursuant to the requirements of ISO/TS 22163:2017 and other standards, NEWAG S.A. reserves the right to periodical audits in seats of its Suppliers and their Sub-Suppliers. NEWAG S.A. may perform a general audit of the organisation or audit of the production process and processes of material significance, e.g. welding, painting, gluing, casting, hammering, heat processing.

The general audit of the organisation is carried out in the following cases:

- > introduction of a new Supplier;
- > expansion of assortment;
- > up-date of the Supplier's assessment;
- > compromised quality/ higher number of complaints.

The Supplier will be informed about the scope and the type of audit before its beginning; the audit date shall be agreed jointly by the Parties.

After the audit, the Supplier shall receive an Audit Report along with its result.

In case of any inconsistencies, the Supplier shall present a plan of corrective actions and shall implement them within the agreed date.

In case of receiving a Non-compliant result from the Audit, the Purchase Division suspends cooperation with a given Supplier until the Supplier receives a positive result in a renewed audit. NEWAG S.A. reserves the right to audit the sub-suppliers, in case the key scope of the technological process or the production process is commissioned by the Supplier from a third party. In such case, the audit shall be carried out in the presence of the Supplier. In case of a negative result of the sub-supplier's audit, the Supplier is liable for performing effective corrective actions in the sub-supplier's company or changing the sub-supplier.

Request for Quotations

The request for quotations is a document containing all key issues, such as: technical requirements, guarantee period, defect removal date, payment date, terms of delivery, required documents, RAMS and LCC analyses, test reports, certificates, declarations of conformity, Terms of Reference. A request for quotations indicates a contact person with respect to commercial issues and a contact person responsible for technical issues. To guarantee efficient processing of requests, it is recommended to keep a contact path with designated persons. Exclusively the employees of the Purchase Division are authorised to issue requests for quotations.

## 4. Quotation

The quotation must be presented in a legible and transparent manner. In the quotation, the Supplier shall include any requirements contained in the request for quotations. The Supplier is required to confirm compliance with the requirements of Terms of Reference to which the request for quotations refers. In case of any discrepancies with the request for quotations or with the Terms of Reference, the Supplier shall clearly mark any discrepancies in the quotation. Use of red colour is recommended. In case the material to which the quotation refers fulfils additional requirements not contained in the request for quotation, they should also be listed in the quotation.



## 6. Order/ Agreement

### Order

The order contains such information as: item No., description of items, quantity, unit, required date of supply, but also technical requirements and quality requirements, such as: colour, type of surface, drawing No., documents required during the supply.

In the order, NEWAG S.A. indicates the required terms of cooperation, referring to the General Terms of Purchase available at the address listed below. It is recommended to use the terms referenced in the order on a time-to-time basis.

<http://www.newag.pl/GPTVersion8.pdf>

Any remarks and reservations to the terms of cooperation should be submitted at the stage of quotations, yet the remarks to the order cannot be submitted later than before the confirmation of an order.

Order confirmation should be submitted within 3 days from the date of order receipt; NEWAG S.A. allows the possibility of extending this date at the Supplier's request. Confirmation of order is binding and results in acceptance of all of the terms required by NEWAG S.A., including the General Terms of Purchase. In case of any differences between the General Terms of Purchase and the General Terms of Sale of the Supplier indicated by the Supplier in the confirmation of order, the General Terms of Sale of the Supplier shall not be treated as binding. NEWAG S.A. allows the possibility of negotiating the terms of cooperation.

### Agreement

In particular, NEWAG S.A. enters into agreements with the Suppliers of strategic materials, but not only. At the present moment, we are expanding the database of companies with which cooperation is initiated based on framework agreements. The agreement is aimed at ensuring a stable and transparent cooperation with the business partners of NEWAG S.A. The basic elements included in an agreement with a Supplier are:

- › Price;
- › Payment date;
- › Terms of delivery;
- › number of liquidated damages - timely supply of materials and software, guarantee obligations, timely removal of system defects, delivery of documents and certificates;
- › Guarantee period;
- › Time of reaction;
- › Time for removal of defects and system defects;
- › Post-guarantee terms;
- › Price list of spare parts and services;
- › Availability of spare parts and their equivalents;
- › Maintenance packages, consignment warehouse;
- › FAI;
- › Trainings for NEWAG S.A. from P1 to P4;
- › Trainings for the End Customer with respect to servicing and maintenance from P1 to P3;
- › Start-ups;
- › Copyright;
- › License for documents and software;
- › RAMS/ LCC analyses;
- › Documentation;

- › Analysis of change significance in line with Regulation No. 402/2013;
- › Test reports;
- › TSI certificates;
- › Declarations of conformity;
- › Certificates 3.1 or 3.2;
- › Confidentiality;
- › Termination of the agreement;
- › OHS and environmental terms;
- › GDPR;
- › Final provisions;
- › Signatures of authorised persons.

## 7. Product Qualification and Approval

Pilot Implementation of the "New Component Implementation" (NCI) Process  
 NEWAG S.A. has launched a pilot process, the New Component Implementation. The goal of the process is to make sure that the purchased Products fulfil the requirements of NEWAG S.A. at every stage of production: prototype, test and serial production. Ultimately, the NCI process will refer to all materials affecting safety.

Link to the process description:

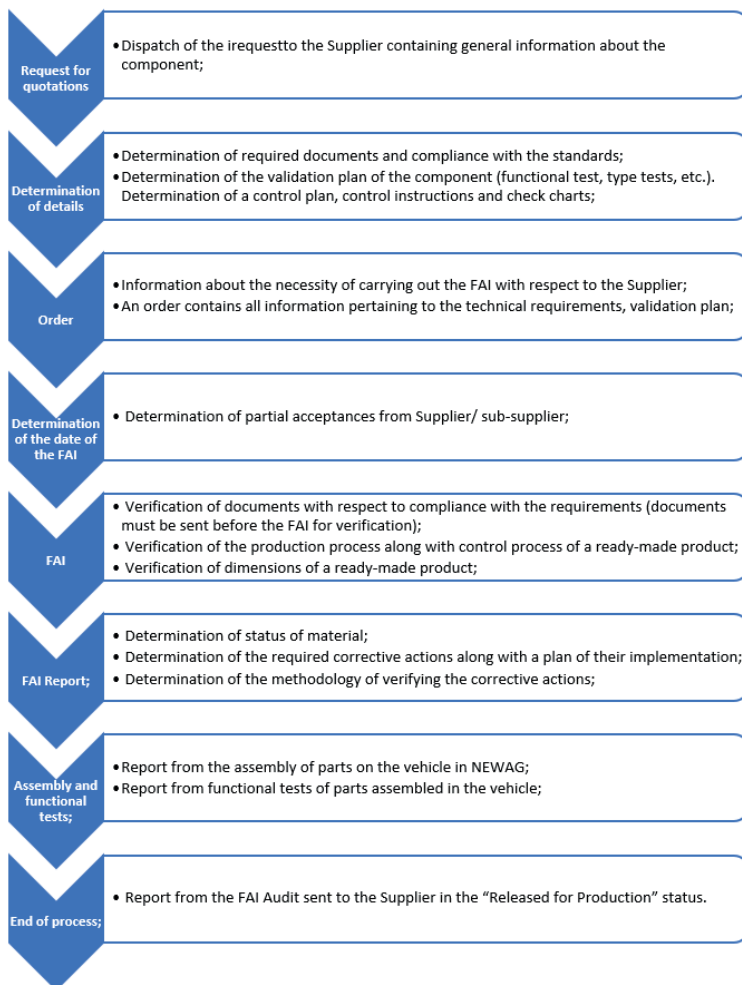
[https://www.newag.pl/Implementation\\_Of\\_New\\_Components.pdf](https://www.newag.pl/Implementation_Of_New_Components.pdf)

### FAI

NEWAG S.A. requires its Suppliers to carry out a process for the implementation of new components delivered to NEWAG S.A. A part of the process is the First Article Inspection (FAI), which is aimed at verifying and approving the Supplier's production process with respect to quality and compliance with the requirements contained in the order and in the Product specification determined before the start of production for NEWAG S.A.

The FAI is required:

when production of a new product is launched;  
 in case of any changes in the technical design, which may affect the cooperation/ assembly, form (shape, dimensions/ material) or functions of the product/ part or a change that affects the maintenance documents, changes the inspection cycles or changes the durability. Changes subject to notification also include changes in software;  
 after any changes in the production process (e.g. change of technology, replacement of machines, change of location, change of supplier);  
 at the request of a NEWAG S.A. client.



## Control Document

All control documents shall be prepared in line with the requirements of the PN-EN 10204:2006 standard. Compliance of the control documents with the requirements of the PN-EN 10204:2006 standard refers not only to the metal products, but all articles/ products for which the requirement of presenting the certificate of conformity was indicated in the order or in the agreement.

Two groups of control documents are distinguished:

- documents relying on internal control, type 2.1 and 2.2;
- control documents relying on acceptance control, type 3.1 and 3.2.

The type of control document, if required, is indicated on a time-to-time basis, in the order or the agreement, and forms an integral part of supply. In case the required control document is missing, the supply is deemed incomplete and acceptance and payment for the material is impossible. The control document must include the number of the order to which the document refers.

The Supplier is required to supervise the completeness of all submitted control documents and supervise their substantive content. NEWAG S.A. controls the substantive content of the control documents in line with internally applicable procedures. Given the random nature of controls, NEWAG S.A. reserves the right to notify the irregularities in the delivered control documents during the entire period of liabilities under the guarantee or statutory warranty with respect to a given material, even if the material was accepted on the date of supply without any reservations.

Basic information about every possible type of control document is listed below:

Type of document	Name of control document	Content of document	Document confirmed by
Type 2.1	Declaration of conformity with the order	Certification of conformity with the order	Manufacturer
Type 2.2	Certificate	Certificate of conformity with the order along with provision of results from internal control	Manufacturer
Type 3.1	Acceptance certificate 3.1	Certificate of conformity with the order along with provision of results from acceptance control	Authorised representative of control of the manufacturer, independent from the production division
Type 3.2	Acceptance certificate 3.2	Certificate of conformity with the order along with provision of results from acceptance control	Authorised representative of control of the manufacturer, independent from the production division and authorised representative of control of the ordering party or control inspector specified in official provisions

If the control documents are submitted by the Distributor/ Seller, the Distributor should provide the original or copies of the control documents delivered to it by the Manufacturer without changing them in any mode. Adequate explanations as to the mode of product identification should be attached to the documents so that unambiguous matching of products and documents has been guaranteed. Copying of original documents is permitted on the condition that the traceability procedures have been applied and the original document is available at request. If the Distributor changes the condition or the dimensions of the product in any way, an additional document confirming such new features of the product should be delivered.

The Suppliers should pay special attention to:

- › the correct name of a given control document;
- › inclusion of the Newag S.A. order number in the control document;
- › inclusion of full test results along with measurement values (e.g. numerical).



## 8. Supplies

The supplies must be processed in line with the Transport and Packaging Instruction. It describes primarily:

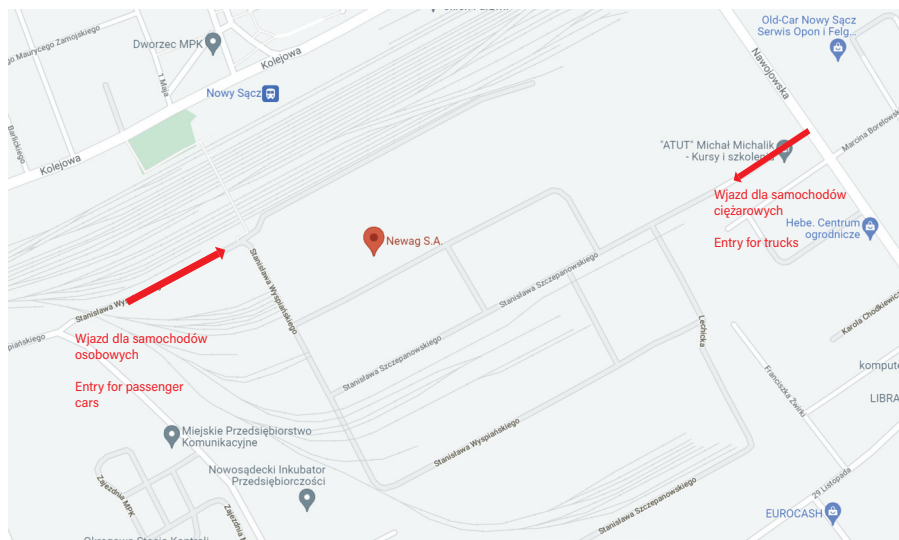
- › Securing of materials;
- › Type of packaging;
- › Mode of conduct with multiple-use items;
- › Information as to what the supply document should contain;
- › Labelling of materials.

Materials should be labelled by printing the labels from the website: <https://zamowienia.newag.pl/>  
Details are presented in the instruction manual: [http://www.newag.pl/Transport\\_and\\_Packing\\_Conditions.pdf](http://www.newag.pl/Transport_and_Packing_Conditions.pdf)

For every order issued by NEWAG S.A., the Supplier has the possibility of printing the label.

Entrance for passenger cars is from ul. Wyspiańskiego.

Entrance for cargo cars is from ul. Stanisława Szczepanowskiego.



## 9. Complaints

Any problems with quality of the supplied materials detected in NEWAG S.A. or by a client of NEWAG S.A. shall be formally forwarded to the Supplier in the form of a complaint report. The Supplier, after receiving the complaint, shall inform the employee of the Supplier Quality and Development Department or the Service Department about the selected method of solving the problem within the agreed time frame.

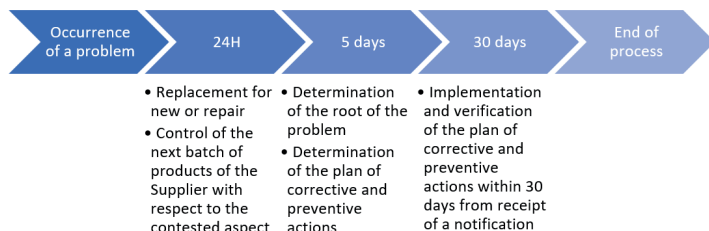
Any information pertaining to the complaint processes resulting from a problem detected in the NEWAG S.A. production process should be reported to the employee of the Supplier Quality and Development Department who carries out the process and sent to the following e-mail address: [kontrola.dostaw@newag.pl](mailto:kontrola.dostaw@newag.pl)



Any information pertaining to the complaint processes resulting from a problem detected with respect to the client of NEWAG S.A. should be reported to the employee of the Service Department who carries out the process and sent to the following e-mail address: reklamacje@newag.pl. The Supplier shall present the analysis of the problem along with a plan of corrective and preventive actions in the form of 8D report within the time frame agreed below.

Suppliers whose quality results have significantly deteriorated may be covered by control supervision, related to the Audit of the organisation with respect to the Assessment Update. Furthermore, they are required to present a Quality Improvement Plan, which will be periodically reviewed and modified.

### *Time frame required in the complaint process*



## 10. Maintenance

### Availability of Spare Parts

NEWAG S.A. requires availability of spare parts during the entire lifetime of a vehicle. In line with the requirements of our Clients, such period should be 30 years as a minimum. The Suppliers are required to guarantee spare parts at any moment; the time of supply of spare parts cannot adversely affect the availability of the vehicle, while the prices cannot differ from the market prices. NEWAG S.A. allows alternative spare parts, while the application of such parts requires prior arrangements and presentation of evidence that the applied part does not adversely affect safety.

### Cooperation During Inspections and Repairs

To meet the requirements of the clients of NEWAG S.A., it is necessary to maximally shorten the time of repairs and inspections of vehicles produced by NEWAG S.A. Cooperation with Suppliers who grant rights to maintenance and repairs of purchased products directly by NEWAG S.A. in the seat of the ordering party or its clients is of key importance.

### Periodical Assessment of Suppliers

Periodical assessment of Suppliers takes place twice a year. The following criteria are taken into account:

- › Quality Management System assessment;
- › Number of complaints pertaining to the quality of execution;
- › Number of complaints pertaining to the completeness of supplies;
- › Observance of deadlines (calculated with respect to the date confirmed by the Supplier and the actual date of supply/ delivery, depending on the agreed terms);
- › Type of Supplier (manufacturer, distributor, vendor);
- › Cooperation with the Supplier in a prior period.

NEWAG S.A. continues cooperation with the supplier if 51 out of 103 points have been scored.





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