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REVISION LIST				
Revision No	Revision Date	Amendment Aspect	Editor/Author	Page No
0	08.02.2005	First Publish	-	0
0	26.10.05	Revised by defining code as per the new coding system.	-	0
1	01.03.2006	Revisions were carried out about Supplier evaluation, Planning department activities and first sampling works.	-	
2	26.04.2006	Instructions and appendixes were revised.	-	All pages
3	23.05.2006	Revision was carried out on definition of "out-of-scope".	-	2
4	06.11.2006	Revised as per OHS Management System.	-	10/13
4	05.12.2006	Documents within the process and approval of the standard materials such as connection parts were revised.	-	5/14
5	04.06.2007	Yellow-branded areas were revised.	-	All pages
6	02.07.2008	5.1. and 5.5.1 article was revised.	-	3/13-5/13
7	28.02.2015	All instructions were revised and new Supplier Manual was created.	-	All
8	06.12.2016	All instructions were revised.	-	All
9	29.01.2018	5.18. Customer Requirements 5.19 Compliance to Regulations & Rules 5.20 Deviations, Rework & Repair 5.21 Capacity Usage; clauses were implemented.	-	11/12
10	28.02.2019	Supplier Manual is revised according to the new document format.	PURCHASING	All
11	17.06.2020	5.1 and 5.13 were revised.	PURCHASING	4/8
12	26.01.2021	All instructions were revised.	PURCHASING	8
13	19.10.2021	All instructions were revised.	PURCHASING	4,6,7
14	28.11.2023	Clause 5.23-5.28 added. All instructions were reviewed	PURCHASING	8,10,11,12
15	02.01.2024	Clause 5.29 added. All instructions were reviewed	PURCHASING	12

HAZIRLAYAN	KONTROL EDEN	ONAYLAYAN
PURCHASING	PURCHASING	MANAGEMENT REPRESENTATIVE

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EGE ENDÜSTRİ SUPPLIER MANUAL

Bu dokümanın tüm hakları, EGE ENDÜSTRİ VE TİC. A.Ş.'ye aittir. EGE ENDÜSTRİ VE TİC. A.Ş.'nin yazılı izni olmadan kısmen veya tamamen kullanılamaz, çoğaltılamaz,3 şahıslara verilemez.
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1. PURPOSE

This manual aims to define the rules and related processes required to be considered by approved suppliers (from which raw materials, parts, components and services are being supplied) during the sample part production and the serial production.

Ege Endüstri expects from its suppliers, conformity with their IATF 16949 and/or ISO 9001 Quality System Certification as well as the subjects specified in this manual in detail.

Suppliers shall continue their operations and production in line with this manual and IATF 16949 and/or ISO 9001 Quality System requirements.

2. SCOPE

Supplier manual is for the procurement of goods and services for the serial production of Ege Endüstri and to maintain the operations of all departments with the purchase of required machines, equipments, spare parts and services.

3. DEFINITIONS

Shareholders : Represents the main share holder, H.Bayraktar Holding

Ege Endüstri : Ege Endüstri ve Ticaret A.Ş. and its production units.

Approved Suppliers : Companies providing raw materials, parts and services for the serial production of Ege Endüstri.

Other Suppliers : Companies providing machines, equipments, spare parts, services etc.and not for the serial production but for the operation of company units.

Material : It refers to any kind of raw material, part, component and services used in the “Bill of Material” of customers.

Strategic Purchasing : Strategic purchasing means evaluation, selection and approval of suppliers for serial production and specification of commercial terms with suppliers and the maintenance of the ERP System accordingly. Procurement of materials for serial production is executed by planning department.

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4. RELATIVE DOCUMENTS

T.18 Supplier Evaluation, Selection and Approval Instruction: Specifies the rules and process steps of how to evaluate, select and approve any supplier for the serial production of Ege Endüstri.

T.78 Supplier Performance Evaluation Instruction: Specifies the annual performance evaluation of approved suppliers.

T.80 Serial Production Purchasing Management Directive: Specifies the strategic purchasing operations of Ege Endüstri.

5. APPLICATION

5.1 PPAP Approval for Sample Parts & Services

Unless otherwise is required, sample parts (and services) shall be delivered to Ege Endüstri by suppliers with PPAP file according to Level 3. The supplier (business partner) who receive the purchase order for samples, starts to prepare the PPAP documents as well as sample production. The PPAP documents must be presented to Ege Endüstri with the sample parts since it is required to submit these documents to final customer. Thus the supplier must send the PPAP documents to Ege Endüstri before shipment of samples. After receiving the PPAP documents, Ege Endüstri shall review them and confirm to the supplier for releasing the sample shipment in case the PPAP documents are approved. Otherwise the sample shipment shall not be released. It is mandatory in line with IATF 16949 requirement.

For the PPAP Approval of hardware parts (bolts, nuts, grommets, etc.) and raw materials(steel sheets, bars, round bars, tubes, etc.) , a standard PPAP File (according to Level 3) may not be required but material certificate, measurement reports, coating certificates etc. shall be provided to Ege Endüstri for the initial quality control.

Pre-serial production is taken into consideration for sample approval. Ege Endüstri Quality, R&D and Purchasing Departments shall decide together for the sample batch quantity due to the investment level and period etc.

5.2 Sample Documentation

PPAP file documents shall be sent together with the sample batch. Missing PPAP file documentation may cause non-conformity of the sample batch and PPAP file. Without PPAP file, sample part batch will not be inspected.

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5.3 Competence Values

The Level of competence for production processes shall be specified for the “Major Characteristics” defined by Ege Endüstri before the production of sample batch. Unless otherwise specified by Ege Endüstri Cpk or Ppk value shall be over than 1,67.

The below-mentioned competence values shall be used in order to ensure the production competence before serial production.

Machine competence $Cmk > = 1,67$

Pre-competence $Ppk > = 1,67$

Serial production competence $Cpk > = 1,33$

In case of any sign for instability, necessary corrective precautions shall be taken. In case of failure to furnish the stability, Suppliers shall consult with Ege Endüstri and necessary actions to be decided mutually.

5.4 Measurement Evaluation

Initial inspection would be carried out in order to determine whether all the parts and production materials comply the requirements, dimensions specified at technical drawings, production instructions and standards.

Supplier shall at least measure and define (by numbering) 5 parts for the sample batch, and a control report should be issued for each measured part.

Meanwhile, using same measurement equipment in order to ensure same measurement approach is the main purpose of Ege Endüstri.

All characteristics in the technical drawing should be measured and accelerate the mutual agreement. Conformity statements without measured values will not be accepted by Ege Endüstri.

Measurement report is to be issued with a date of measurement.

One of the measured parts shall be identified as “SAMPLE”. The producer shall be responsible for all the applicable specifications.

If a supplier cannot fulfill any of above mentioned requirements, supplier shall consult with Ege Endüstri.

5.5 Product Laboratory Evaluation

Tests shall be carried out for all parts and production material due to chemical/physical/metallurgic characteristics.

The supplier shall carry out the requested tests. If the supplier fails to perform these tests, the necessary service shall be outsourced from an appropriate resource (accredited laboratory).

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In the event of tests being conducted by independent laboratories, measurement results must be declared on their letterhead or by a “norm report form”. The laboratory name is to be specified. All tests specified for product validation should be carried out and listed in a proper order compared with the standard values.

Any abstract syntax at reports without measured numerical values is inadmissible. The dates for tests that are performed shall be specified in reports.

If a supplier cannot fulfill any above mentioned requirements, supplier shall consult with Ege Endüstri.

5.6 Warranty

The supplier submits the following warranty to Ege Endüstri:

Supplier submits that the used material complies with the specifications and international standards, and the material is compatible with all related laws and rules and the purpose of use.

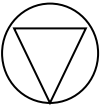
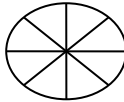
Supplier guarantees that the material, as of the shape and condition at the time of delivery to Ege Endüstri and when used & assembled with other materials, even if not specified with the order, shall ensure all health and security requirements.

5.7 Major Characteristic

Major characteristics are determined in the technical drawings and documents provided by Ege Endüstri and that are shared with suppliers.

Special symbols are used in order to specify the “user safety”, “legitimacy”, “functionality”, “suitability” and “characteristics that affect the image.”

The characteristic symbols of Ege Endüstri are listed hereafter:

Major Characteristic	Safety Related Characteristic	Safety Related Component
		S.R.C.

The special characteristics which are defined at technical drawings and specifications sent by Ege Endüstri, shall be defined with similar symbols as Ege Endüstri does. They are specially marked if the parts are safety part.

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5.8 Engineering Changes

For the approvals due to engineering changes, the inspection and test requirements are determined according to the extent of the engineering change. Supplier should consult with the R&D Department of Ege Endüstri for taking necessary instructions due to special engineering changes.

Validations of samples are always carried out by Ege Endüstri. Once the sample batch is delivered after all required tests and measurements are performed by the supplier, Ege Endüstri starts validation for serial production. Respectively, sample part approval.

If no change will be made on the specifications for the rejected sample batch, suppliers shall review their process and their PPAP file, and they shall produce and deliver a new sample batch.

Serial production may start only after the process and sample part batch validation is accomplished.

When any production condition (such as source of the supplier, process of the supplier, etc.) may change, supplier shall produce a new sample batch and submit the new PPAP file including PSW Letter.

5.9 Traceability and Technical Documentation

The supplier should determine the requirements for the traceability of the quality reports. Quality reports should be archived for the active lifetime of the part and for an extra 5 years.

Suppliers have the liability to keep the mechanical drawings, specifications and other related documents up to date by being in contact with Ege Endüstri. Respectively Purchasing Department of Ege Endüstri may anytime ask the revision level of technical documents that the suppliers use for production.

5.10 Quality Objectives

Supplier should have had established the quality objectives in order to be able to reach the required quality level. Quality objectives shall be numerical, comparable and shall continuously be improved. In the event of not being reached to the level of objectives, Ege Endüstri would ask for corrective actions.

The quality objectives should at least be composed of following subjects:

- Internal and External non-conformities shall be tracked with PPM rates.
- Internal and External quality costs shall be reported.
- Delivery performance to customer and delivery performance of suppliers shall be reported.
- Effectiveness of corrective actions shall be visual and reported.

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5.11 Serial Production Consignment and Reportage

Once the serial production starts, the results of dimensional measurements, mechanical and chemical analysis reports of the material shall be shared with Ege Endüstri for every delivered batch.

If Ege Endüstri has any specific test or report requirement for the material, the supplier will be informed. A special tag shall be put on the boxes or wooden crates in case the parts in boxes or wooden crates are safety part. The tag is defined with appendix-1.

5.12 Planning

The supplier shall make his own planning for necessary purchased material and his own production according to the released production schedule (orders) of Ege Endüstri. Objective of the supplier shall be to meet the requirements of on time delivery, exact quantity and at expected quality level.

The supplier shall also be planning necessary labor force, **production capacity of facilities** and necessary machinery and tooling.

5.13 Environmental and Occupational Health and Safety Management Systems

Ege Endüstri recommends suppliers to set up Environmental Management System (ISO 14001) and Occupational Health and Safety Management System (ISO 45001)

5.14 Sub-suppliers and the Alteration of Sub-suppliers

If a supplier of Ege Endüstri makes a contract with his own sub-supplier; technical, quality, planning and commercial requirements of Ege Endüstri shall be shared with the sub-supplier and execution of these requirements is the responsibility of Ege Endüstri's suppliers.

In case of a sub-supplier change, it shall be reported to Ege Endüstri and process and part approval is necessary.

Ege Endüstri may audit the sub-supplier of his supplier but this does not terminate the responsibilities of the supplier for the management of his own sub-suppliers.

5.15 Traceability

The supplier is liable for tracing, archiving the documentation in a proper way and submitting the documentation when it is requested. Traceability system shall be applied for all products.

Supplier is also responsible for the traceability of products supplied to Ege Endüstri by clear and visual marking and/or stamping.

The traceability numbers shall be on wooden crates or boxes with a label and shall be defined on invoices and packing lists.

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5.16 Ege Endüstri Ownership

The supplier is responsible for keeping Ege Endüstri's molds, tools, models and fixtures at the state of productive, making the maintenance and properly in safe condition, keeping the certificate of inventory properly and making the necessary labeling as a property of Ege Endüstri with the stock number.

The supplier shall not sell and/or hand over the molds, tools, models and fixtures to any 3rd hand party without the written consent of Ege Endüstri. The supplier shall not use Ege Endüstri's molds, tools models and fixtures to produce any product for other customers.

5.17 Ege Endüstri Quality and Performance Evaluation

Ege Endüstri evaluates the performance of approved suppliers for serial production with two times in a year as considering the data of 6 months and 12 months. Ege Endüstri defines the targets for the calendar year.

Referring to the evaluation result of each supplier, suppliers may be audited at their production facility or may be invited to a meeting at Ege Endüstri.

Furthermore, the following points are the main and essential parameters of the performance evaluation system where shall carefully be taken to attention.

5.17.1 Product Non-Conformity

In the event of the non-conformity of the product or services provided by the supplier, supplier is responsible for replying the first 3 section of the quality notice and/or the 8D form sent by Ege Endüstri in 24 hours, and to take the necessary pre-cautions.

If the root cause of the non-conformity is because of the supplier, (used material, production process, method, equipment, operator and/or any not approved change of material, process etc.) all costs of non-conformity at Ege Endüstri will be compensated by the supplier. Supplier irrevocably accepts to reimburse invoiced quality cost and undertakes the 8D costs.

Cost of escalations, revokes, termination of contracts with the customers due to supplier non-conformity will also be reimbursed by the supplier.

5.17.2 Quality Examinations

According to the own audit plan, Ege Endüstri may audit the suppliers by sharing an advance notification and will report all non-conformities by asking necessary pre-cautions to be taken by the supplier.

Suppliers are responsible to take necessary pre-cautions and to share feedbacks for improvements.

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5.17.3 PPM, Delivery and Purchasing Performance

The supplier is liable to take into consideration of all issued actual and target monthly and annual PPM rates, delivery date performance, purchasing performance and review his own performance and to take necessary actions and share a feedback with Ege Endüstri.

The supplier shall arrange the deliveries to Ege Endüstri on time without causing any additional freight cost for expedited deliveries.

On-time deliveries of sample parts, approval performance of the first sample batch and cost reduction (price revision) performance of suppliers are the other sub-criteria at the Performance Evaluation System.

5.18 Customer Requirements

Customers (Customers of Ege Endüstri); are also customers of our suppliers. Thus, special requirements and specifications of customers shall be known by our suppliers as well and it is also your liability. Respectively, you may find the Customer's special requirements in their own websites and take attention of these requirement at your own processes. (IATF 16949, Clause Number: 8.3.3.1 / 8.3.3.3 / 8.4.2.2)

Our Customers:

- Daimler
- Scania
- MAN
- Volvo-Mack Trucks
- Meritor
- Otokar
- BMC
- Sisu Axles
- Axle Tech
- Jost
- Ford
- Isuzu
- Temsa

5.19 Compliance to Regulations & Rules

All sub-items, parts and components that are used in order to produce the parts and products shipped to Ege Endüstri shall be complied with the regulations and rules at the country of origin and at the delivered country. Consequently, your purchased items & produced components shall be in compliance at the origin and at the following countries that the mutual customers are present. (IATF 16949, Clause Number: 8.4.2.2 / 8.3.3.1 / 8.6.5)

- USA
- Germany
- Italy
- Sweden
- Finland
- China
- Brasil
- Spain
- Netherlands
- Mexico
- Australia
- India
- France
- Türkiye

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5.20 Deviations, Rework & Repair

In case that any product has a deviation, our suppliers shall inform Ege Endüstri in advance and ask written consent before delivery. When the deviation is approved by Ege Endüstri, our suppliers shall print the 'Deviation Number Of Ege Endüstri' on the 'Delivery Note' and 'Packing List'. (IATF16949, Clause No: 8.7.1.1)

In the event that our suppliers shall make any 'rework' and/or 'repair' on the parts that would be delivered to Ege Endüstri, written consent of Ege Endüstri should be obtained in advance. When Ege Endüstri approves the 'rework' and/or 'repair', the deviation number of Ege Endüstri should be printed on the 'Delivery Note' and on the 'Packing List'. (IATF 16949, Clause No: 8.7.1.5)

5.21 Capacity Usage

According to IATF 16949, it is our obligation to review your total capacity usage and the capacity allocated for Ege Endüstri. Overall capacity usage and capacity allocated for Ege Endüstri shall be reported annually. (IATF16949, Clause No: 8.4.1.2)

5.22 APQP Conditions

Supplier shall make the all necessary technical studies (FMEA, control plan etc.) and planning activities (capacity allocation, project plan etc.) according to the APQP Question List when a purchase order for new part is released by Ege Endüstri. A technical meeting is arranged between Supplier and Ege Endüstri's APQP teams after the fulfilled APQP Question List is received by Ege Endüstri. In case APQP teams reach an agreement on the technical details, the project is continued. After the finalization of APQP study, the process of sample production and submission are proceed.

5.23 International Labor Organization – ILO Rules

Supplier confirms a work-place environment complying with ILO rules. Child workers shall not be employed. Supplier also confirms that modern slavery, servitude, forced or compulsory labor employment and human traffic are forbidden in their company and according to ILO Rules.

5.24 Code of Conduct & Ethics

Supplier confirms complying with OECD and European Commission, Code of Conduct & Ethics.

Code of Conduct & Ethics shall be documented in written and known by all employees.

Furthermore, Code of Conduct & Ethics shall be ruling correct accounting & financial records of the company and according to national and international laws.

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5.25 Anti-Corruption Policy

Supplier confirms complying with OECD rules for anti-corruption, anti-money laundry.

Company Policy & Rules shall be documented in written and be in force for the company and employees.

5.26 Confidentiality, Data & Intellectual Property Protection

While supplier confirms to act according to the mutually signed Confidentiality Agreement, it is also confirmed that all technical & commercial information (data) shall be protected. Business Partners also confirm to protect the industrial & intellectual properties and rights of Ege Endustri and its customers. all Technical & commercial information (data), industrial & intellectual properties shall be fully secured & protected, shall not be duplicated and shall not be distrubuted to any third party.

5.27 Counterfeit Part Policy

Supplier confirms not to produce and distribute spare parts and counterfeit parts in the market by using the industrial and intellectual properties of Ege Endustri and its customers. Supplier confirms to take all necessary measures to protect & secure industrial & intellectual properties.

5.28 Import, Export & Economic Sanctios

Supplier confirms complying with laws for import & export and economic sanctions of following countries that the customers of Ege Endustri locate.

- USA
- Germany
- Italy
- Sweden
- Finland
- China
- Brasil

- Spain
- Netherlands
- Mexico
- Australia
- India
- France
- Türkiye

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5.29 Responsible Sourcing Standards

Supplier confirms complying with the “Responsible Sourcing Standards” of International Chamber of Commerce (ICC) and our Customer’s (& indirectly your customer’s) related rules and expentations.

The related Responsible Sourcing Standards together with clauses listed above with clause numbers; 5.23 – 5.24 – 5.25 – 5.26 – 5.27 – 5.28 is constituted according to “Human Rights”, “Environmental Protection” and “Responsible Business Conduct”. (Referances : ICC, ILO, OECD, UN, ISO 14001, ISO 45001)

Furthermore suppliers shall execute transactions complying with the Responsible Sourcing of Raw Materials from Conflict Affected and High-Risk Areas (CAHRAS). Suppliers confirms that either lack of sourcing for 3TG³ (tin, tantalum, tungsten and gold) raw materials or in the event of sourcing, suppliers must identfy and disclose of all the smelters and refiners in their supply chain and suppliers must assess whether they conduct the OECD-compliant due-diligence process.

6 VERIFICATION AND LIABILITY

This document comes into force after being approved by the General Manager. Purchasing Manager is responsible for preparing and updating this document and distributing the controlled copy of this document. Keeping it at electronic repository is the responsibility of the Management Representative and the responsibility of implementation is the responsibility of related departments and suppliers.

7 REGISTRATIONS

T.17 Purchasing Instruction

T.18 Supplier Evaluation, Selection and Evaluation Order

T.78 Supplier Performance Evaluation Instruction

T.80 Purchasing Instruction for Serial Production

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Appendix-1 Safety Part Tag

