

Supplier Guide

Guidelines for Suppliers of ODW-ELEKTRIK

(Version 01/2017)

Foreword

ODW-ELEKTRIK GmbH, hereafter referred to as “**ODW**”, with headquarters in Steinau an der Straße, is an innovative development partner and supplier of high quality cabling, magnetic coils and mechatronic systems. Today, ODW develops and produces products of the highest quality with over 2,000 employees in 5 locations (German, Hungary, Ukraine, Macedonia and Mexico). ODW thereby provides optimal conditions in order to fulfil the high expectations of the customers.

With this guide, we are giving you information regarding the procurement of ODW. We would like to demonstrate the easiest way to an intimate, trustful, fair and cooperative partnership with all suppliers, both new and old. An essential aspect of cooperation is a degree of flexibility, quality assurance and adherence to delivery schedules. We place value on efficient and reliable suppliers, who work with us to continually improve our processes and products and who are interested in a sustainable business relationship.

Worldwide competition as well as the changing expectations of customers and product requirements necessitate continuous improvement of the products, processes and business processes. Our customers require increasingly shorter delivery periods and better adaptations to market conditions. We can only achieve this with your full support.

Objectives

The objective of ODW is: **to 100% fulfil the demands and desires of our customers: “Our customer’s goals are our goals too”**. In this respect, continuous improvement of our purchasing performance is necessary, in order to:

- Remain a competent and efficient partner for our customers,
- Reduce the purchasing costs,
- Achieve continuous improvement of product quality,
- Ensure quality,
- Ensure adherence to delivery schedules.

Cooperation

The basis of cooperation with suppliers is found in the respective contracts or agreements based on the ODW conditions of purchase and ODW quality assurance agreement. Requirements for cooperation are:

- Quality,
- Reliability in delivery,
- Competitive prices at world market level (TCO, Total Cost of Ownership),
- Continuous improvement of productivity and annual cost reduction,
- Quick and efficient communication.

Your services will be evaluated regularly by ODW’s purchasing department.



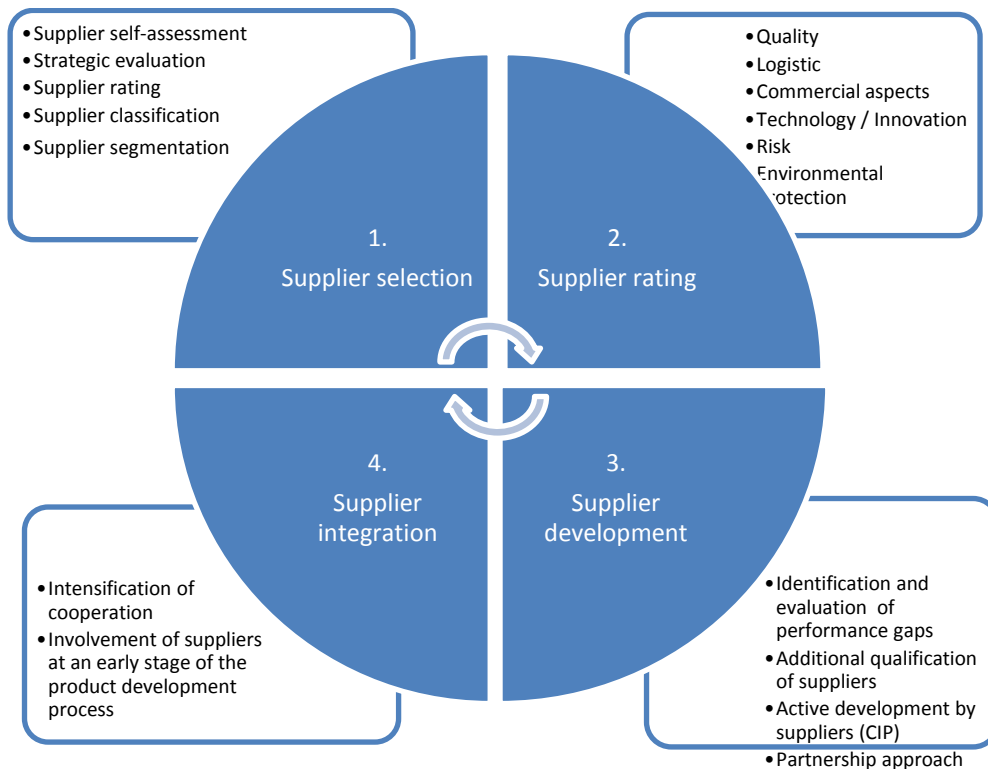
Reliability in delivery

In order to be able to render your services reliably, ODW requires the punctual delivery in line with the deadline given in the order. Packaging and/or shipping regulations must be strictly complied with. Should it be foreseen that the required delivery deadline cannot be met, the procurement management of ODW should be informed immediately. The measures taken must be documented and shared with ODW. In emergency cases, all measures are subject to shortcuts in order to comply with the normal delivery times, so as to fulfil the wishes of the customer.

Supplier management

Supplier management signifies the proactive organisation of all supplier relationships with the company across all areas, by means of better cooperation with the direct supplier (but also pre-suppliers), with the objective of developing, providing and manufacturing products or services better, faster and at a lower cost. It is crucial for successful supplier management that the objectives for this are clearly determined.

Supplier management encourages a successful cooperation between the supplier and ODW.



Quality guidelines

The goal of these quality guidelines is for all parties involved in the supply chain, meaning customers, suppliers and employees, to obtain a common understanding with regard to the requirements for quality and to exemplify these principles in their own environment.

Principles

- We follow a zero-defect strategy and constantly improve our processes and procedures
- We encourage transparent communication based on partnership – internally and externally
- We document our trade for complete traceability and ability to trace evidence
- We act in a proactive manner, rather than waiting to react
- We comply with all current laws and handle all resources carefully
- We act in accordance with the standards of our integrated and certified management system
- We practice active risk management, in order to prevent errors
- We urge cooperative partnership within the whole supply chain – for mutual benefit
- We plan our quality in advance – for an even better product, free of defects
- We check our products – for the highest quality of results

Demonstrating cost reduction potential and competitiveness

The supplier is committed to demonstrating the cost reduction potential of the contract products as well as picking up on potential demonstrated by ODW and actively implementing such potential in coordination with ODW.

In the event that a comparable product is offered cheaper by a third party, the supplier will inform ODW in writing and a reasonable deadline is granted to the supplier to restore full competitiveness. Furthermore, the supplier will compile a plan of action and will present this to ODW promptly. ODW is obligated to check the plan of action for restoring full competitiveness and to support the implementation.

Conclusion

For the future, ODW would like to maintain a future-oriented and market-oriented cooperation with suppliers, which is orientated towards the goal of customer satisfaction. In this sense, we would be thankful for each idea and suggestion for improvement.