

General requirements of RETIA, a.s. for co-operators / suppliers (hereinafter referred to as the "requirements")

1. Introduction

- **Scope:** Every product, item, component, material, or good (hereinafter referred to as “Goods”), or service, for which an order/contract has been issued by RETIA, a.s., accepted by the supplier, and for which the supplier has committed to fulfilment.
- **Purpose:** To define the requirements that the supplier undertakes to meet. The delivery of flawless Goods/services is required, in accordance with the specifications of the order/contract and the related documentation provided in its valid version.

2. Quality requirements

- **Norms and standards:** The supplier undertakes to comply with all relevant standards and norms as required by the contract/order and/or applicable legislation. The supplier must hold certification at a minimum to the extent of ISO 9001 – Quality Management Systems – Requirements, or possess technological procedures that ensure a competitive advantage, significant cost savings, or demonstrable excellence in production management. In addition to the above, the supplier must acknowledge and accept the RETIA, a.s. Compliance Programme, or provide an equivalent document or programme that is substantively aligned. Where necessary, due to the nature of the deliverables, the supplier may be requested to obtain additional certifications beyond those mentioned above, based on supplementary requirements (e.g. ISO 14001 – Environmental Management, ISO/IEC 27001 – Information Security Management Systems, or other relevant standards as required).
 - Goods must always be delivered in packaging materials appropriate to their nature and value. The supplier/subcontractor is responsible for ensuring suitable packaging solutions; however, in certain cases, RETIA, a.s. reserves the right to approve the packaging in advance via its Purchasing Department. Proper packaging is essential to maintain the integrity, quality, and durability of the Goods during transportation, storage, and transfer to production, and should reflect the prestige and market value of the Goods.
 - For Goods made of stainless steel, it is imperative to prevent any undesirable contamination, particularly the surface contamination with carbon-based materials. Any chemical cleaning agents intended for use on such Goods must be approved in advance by RETIA, a.s.
 - Goods that are sensitive to electrostatic discharge (ESD) and subject to special handling requirements must be packaged in materials that enable safe logistical and/or production handling in accordance with the relevant standard.
- **Product specifications:** A detailed description of the technical and quality specifications is provided as part of the order or contract. In all cases, it is assumed at minimum that the Goods meet the standard requirements arising from applicable general regulations and norms. If the Goods are subject to Act No. 22/1997 Coll., on Technical Requirements for Products and on Amendments to Certain Acts, as amended, the supplier is obliged, upon request by the purchaser, to demonstrate that the Goods comply with the relevant regulations and that the conformity assessment procedure has been duly followed.

The delivery of an **EU Declaration of Conformity** is required, in accordance with the legislative requirements applicable to the specific nature of the delivered Goods, including but not limited to:

- Government Regulation of CZ No. 118/2016 Coll., (Directive 2014/35/EU – LVD) on the assessment of conformity of electrical equipment intended for use within certain voltage limits when made available on the market, as amended.
- Government Regulation of CZ No. 117/2016 Coll., (Directive 2014/30/EU – EMC) on the assessment of conformity of products in terms of electromagnetic compatibility when they are made available on the market, as amended.

- Government Regulation of CZ No. 481/2012 Coll., (Directive 2011/65/EU – RoHS) on the restriction of the use of hazardous substances in electrical and electronic equipment, as amended.
 - Government Regulation of CZ No. 176/2008 Coll. (Directive 2006/42/EC Machinery), as amended, on technical requirements for machinery, as amended.
 - It is required to submit a declaration of compliance with Regulation (EC) No. 1907/2006 of the European Parliament and of the Council – REACH on the Registration, Evaluation, Authorisation and Restriction of Chemicals
 - Compliance with CZ Act No. 542/2020 Coll., on end-of-life products (Directive 2012/19/EU ("WEEE Directive")) is required.
- **Quality control:** It is the supplier's responsibility to carry out, immediately prior to dispatch, at minimum a visual and dimensional inspection, or another appropriate non-destructive final check of the Goods. All preceding process controls (in-process, production, material-related, and others) must be conducted in advance of the next production step to avoid unnecessary delays and to prevent the manufacture of non-conforming or defective items. These controls must be performed without causing any delay to the scheduled delivery to RETIA, a.s. The procedures and frequency of quality inspections to be performed by the supplier shall either follow the supplier's internal requirements, relevant applicable standards, or the documentation related to the Goods provided at the time of order placement or contract signing. Alternatively, RETIA, a.s. may define specific requirements regarding inspection procedures and frequency as part of the Goods delivery conditions.

3. Documentation and traceability

- **Quality Records:** The supplier is required to maintain and retain records of all quality inspections and tests for a minimum period of five years following the completion of production. RETIA, a.s. may request standard measurement reports or other relevant documentation, which the supplier must have available prior to dispatching the Goods.
- **Traceability:** Each delivery must be traceable back to the production batch. Where the structure of the Goods allows, clear and unmistakable identification/markings must be applied, which remains legible and traceable throughout the entire production process. If the identification is removed or becomes obscured during processing, manufacturing, or assembly, it must first be transferred to a visible part of the Goods.

4. Audits and inspections

- **Right to audit:** RETIA a.s. has the right to conduct audits at the supplier to verify compliance with quality requirements.
- **Inspection:** The supplier must allow inspection of manufacturing processes and products.
- **Supplier evaluation:** As part of its internal requirements, the Supplier Quality department, in cooperation with the Purchasing Department of RETIA, a.s., conducts an initial assessment of supplier suitability ("Assessment") and a Supplier Audit ("Audit Supplier"). Additionally, the Purchasing Department of RETIA, a.s. evaluates suppliers based on specific criteria. These criteria are derived from procurement requirements and are divided into the following categories: A – Approved Supplier; B – Approved Supplier with Warning; C – Non-Approved Supplier. If a supplier's category is downgraded (e.g. due to deteriorating delivery quality, failure to meet RETIA, a.s. requirements, etc.), the Purchasing Department will inform the supplier and simultaneously request corrective action. Supplier evaluations are carried out at least once per year, following the financial closing of the previous year, and are based on performance during that year. Suppliers rated in category A are not routinely notified of their evaluation results. Suppliers who are directly designated by the end customer of RETIA, a.s. for a specific project ("mandated, required, or nominated supplier/provider") are not subject to this evaluation process. For more detailed information regarding supplier evaluations, please contact RETIA, a.s. at: nakup@retia.cz

5. Nonconformance management

- **Nonconformities:**

- A) At the Supplier/Subcontractor of RETIA, a.s. Upon identifying a non-conformity, the supplier must promptly and demonstrably inform RETIA, a.s. In specific cases, based on a detailed analysis of the non-conformity, the Goods may be reviewed by a designer or technologist at RETIA, a.s. Following this review, the supplier will be informed whether a deviation request may be submitted, or whether the Goods must be corrected or re-manufactured to eliminate the non-conformity. Non-conforming Goods may only be delivered if a deviation has been approved in advance by RETIA, a.s. *It is explicitly assumed that prior to signing the purchase contract, the supplier has identified potential internal production risks, agrees to them, and will adhere to the attached technical documentation. Acceptance of the order for Goods cannot be conditional upon the approval of a deviation.*
- B) During Incoming Inspection at RETIA, a.s. If a non-conformity is identified during the incoming inspection of the Goods, a Non-Conformity Report is issued, including a description of the severity, which determines the required response from the supplier. The following three levels of severity may apply:
 - **1/ Minor:** Immediate response required, no later than within 72 hours; corrective action and delivery of conforming Goods within 30 days (or according to a pre-agreed plan proposed by the supplier and approved by RETIA, a.s.).
 - **2/ Moderate:** Immediate response required, no later than within 72 hours; corrective action and delivery of conforming Goods within 14 days (or according to a pre-agreed plan proposed by the supplier and approved by RETIA, a.s.).
 - **3/ Critical:** Immediate response required, no later than within 72 hours; corrective action and delivery of conforming Goods within 5 days (or according to a pre-agreed plan proposed by the supplier and approved by RETIA, a.s.).
- C) At the Customer of RETIA, a.s. If a non-conformity is identified (by RETIA, a.s. or its subcontractor), the supplier/subcontractor must be informed demonstrably and without undue delay and is obliged to implement corrective measures. The customer must explicitly specify the nature of the non-conformity (i.e. a clear and detailed description of the defect, including precise identification of the part, such as production or serial number), along with the required corrective actions, to ensure the supplier/subcontractor can respond effectively and in a timely manner.

- **Corrective actions:** The supplier must implement corrective actions to eliminate the root causes of non-conformities. These actions must be documented, including their implementation, verification, and integration into operational practice. The objective is always to prevent non-conformities originating from the supplier/subcontractor. If the same issue or a significant number of issues recur within a short period (i.e. more than 15 acknowledged non-conformities/claims within 30 calendar days, or more than 75% of items from a single order), the supplier is required to automatically prepare a Crisis Recovery Plan („krizový plán nápravy“ - KPN) within 72 hours. This plan must be approved by RETIA, a.s. and must aim to reduce further claims to a minimum. A prerequisite for successful acceptance of the KPN by RETIA, a.s. is the precise specification of the Goods, order number, detailed description of the non-conformity, its root cause, short-term and long-term corrective actions, and subsequent verification of their effectiveness. Until verification is completed, RETIA, a.s. will conduct enhanced oversight of the supplier/subcontractor, which the supplier fully agrees to. In such cases, additional costs incurred due to increased effort by RETIA, a.s. may be charged at a rate of CZK 1,700 per hour per employee.

6. Change management

- **Notification of changes:** The supplier must inform the customer of any changes in the production process, materials, or specifications.
- **Approval of changes:** All changes must be approved in advance by the customer/supplier. Approval/rejection must be made in writing no later than 72 hours after receipt of the change. If there is no negative information from the supplier that it does not accept the change, it is considered that it agrees with the change and will implement it under the conditions of the previous assignment.

7. Training and qualification

- **Employee training:** The contractor must ensure that all employees are properly trained and qualified for their roles. All this information must be verifiably secured and documented.
- **Continuous improvement:** The supplier must demonstrate a commitment to continuous quality improvement. Conclusive records must be provided.

8. Warranties and Liability

- **Guarantees:** In the event of a claim or non-conformity, RETIA, a.s. is fully entitled to assert its statutory rights. The minimum warranty period is 12 months from the transfer of risk (i.e. the handover of the complete Goods to the final customer), unless otherwise specified in the relevant contract or order. The supplier/subcontractor is obliged to cover all costs necessary for supplementary performance, in particular costs related to transport, travel expenses, labour, materials, and associated costs for the assembly/disassembly of the claimed (non-conforming) part. Please note that upon issuance of a claim report (non-conformity) and its confirmation by the supplier acknowledging the defect, RETIA, a.s. may charge a processing fee of **CZK 1,700 excluding VAT**. Invoicing is conducted monthly or quarterly, by offsetting against received and unpaid invoices.

RETIA, a.s. reserves the right, but not the obligation, to inspect the delivered Goods for potential deficiencies prior to delivery to RETIA, a.s. (so-called inspection day or pre-acceptance of Goods). RETIA, a.s. is entitled to inspect the delivered Goods as part of its regular business operations. Any identified deficiencies will be recorded. Upon receipt of a telephone or written notification (letter/email) of defects/non-conformities from RETIA, a.s., the period for corrective action begins. Warranty claims will be suspended until the supplier either rejects RETIA, a.s.'s claims or declares that the defect has been rectified or otherwise refuses to continue discussions regarding such claims. The supplier undertakes to inform RETIA, a.s. of this decision in writing without delay, and no later than within five working days. Further legal steps regarding the resolution of the claim may subsequently be pursued through judicial proceedings.

- **Liability for Goods:** The supplier shall be liable for all claims made by third parties for personal injury or material damage caused by defective Goods supplied by the supplier, and shall indemnify RETIA, a.s. for any related damages or liability claims asserted by third parties. If RETIA, a.s. is required to process a claim for Goods on behalf of a third party (final customer) due to defects in Goods supplied by the supplier/subcontractor, the supplier shall bear all costs associated with the withdrawal of such Goods.
- **Authenticity of Goods:**
The supplier undertakes that all delivered Goods are original, new, and conform to the specifications stated in the order. The supplier guarantees that the Goods are not counterfeit, refurbished, or otherwise modified without the prior written consent of the purchaser. In the event that the delivered Goods are found not to meet these conditions, the purchaser shall have the right to immediately withdraw from the contract and claim compensation for damages. The supplier is obliged to provide all necessary documentation and certificates confirming the authenticity of the Goods.
- **Liability Insurance:**
The supplier is required to maintain liability insurance with appropriate coverage at their own expense.

Furthermore, the supplier must, upon request, provide a copy of the insurance policy detailing the scope of coverage for insured risks at any time.

9. Communication and cooperation

- **Communication channels:** Within the resolution of non-conformities/complaints to RETIA a.s. from the supplier/co-operator, the primary channel is e-mail: neshody@retia.cz From RETIA, it is a supplier quality worker with the @retia.cz e-mail domain.

The supplier is obliged to provide an official and up-to-date communication channel (e-mail, phone number) for resolving non-conformities/complaints.

- **Cooperation:** RETIA a.s. supports open and transparent cooperation to ensure high quality.

10. Final provisions

- **Validity and effectiveness:** The effective date and validity of these requirements shall correspond to the date of confirmation of the order or contract. This document is valid only in the Czech language. In the event of any discrepancies between this version and versions in other languages, the Czech version shall always prevail.
- **Termination of the request:** Termination is possible provided that the request for termination is delivered in writing/by e-mail. The notice period is 3 months. However, the notice is without prejudice to the rights and obligations arising from the relationship prior to the notice (during the validity of the order/contract).
- **Changes to requirements:** In connection with changes, requirements and developments within supplier-customer relationships, these requirements may be modified or changed. However, changes will always be applied after the completion of the current order/order. The customer will be informed about the change through a new order/contract.

Version of document: 2

This version of the document was issued on November the 10th, 2025 and fully replaces the previous version, including all annexes. The previous version is invalid as of this date.

Version:	Description of Change	Date of Issue:
1.	Initial Provision, New Document:	07.11.2024
2.	Addition and more detailed specification of information; adjustment of the hourly rate	10.11.2025

Document Owner: Supplier Quality Assurance Department