

QUALITY MANAGEMENT SYSTEM POLICY

KOVOLIT, a. s.

The company's top management, aware of their responsibility for the company's position on the market and for its further development and direction, announces this strategic goal of the company:

"Continually build and subsequently maintain good business relationships with customers based on mutual trust and mutually sound and fair conduct while ensuring the maximum satisfaction of customer needs by means of the company's products in the area of its operation. The goal is to achieve such a market position that the company's brand will mean to customers a solid, reliable, and sought-after supplier of the company's products."

As the main tools for achieving this strategic goal, the top management sets out this **Quality Management System Policy**:

Methods, Tools, and Scope

The main tools to meet the company's strategic objective are the implemented and reasonably functioning quality management systems in accordance with ISO 9001:2015 (in the Tool Shop) and IATF 16949:2016 (in the Foundry, Forge, and Machine Shop). All the employees of the company's shops and sections participate in these systems.

Customer Satisfaction

The primary goal of each company employee and the main indicator of the quality of their work is satisfaction of customers with the company's products. In this respect, the word "customer" includes all customers of the company, in-house customers, and the environment. The top management of the company creates conditions for continuous monitoring of the satisfaction of existing customers and for securing their current, future, expressed, and hidden needs that are satisfied by means of the **company's products**.

Employee Liability and Motivation

The principles of this policy are mandatory for employees at all organizational levels whose activity is related to product quality or environmental impact and related processes. Therefore, the top management of the company has cultivated the so-called "**importance awareness**" in each employee so that they understand the importance of their contribution to the resulting product quality and realize how they help to achieve the quality goals. In this regard, all levels of the company management have been constantly creating suitable and reasonable conditions leading to effective motivation of employees, including their evaluation, training, further education, availability of information on quality assessment, and impact of individual employees' work on the product quality. One of the basic methods of cultivating "**importance awareness**" among employees is that the top management of the company leads by example.

Continuous Improvement and Development of Suppliers

The top management is aware that the required product quality can be achieved only by the correct and effective function of all elements of the implemented quality management systems, i.e., full knowledge of customer requirements and their complete specification, reliable function of all activities and processes within the company, and ensuring the correct and effective collaboration with external suppliers and partners. To this end, all these activities and processes are regularly monitored or

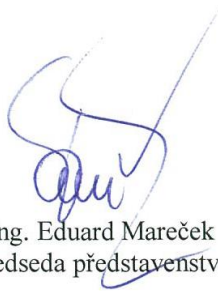
measured in order to continuously collect data for the "**continuous improvement**" subsystem, which, in addition to making corrective measures, is designed to ensure prevention – **prevention of problems**.

Product Quality

The company's goal is to produce and deliver to customers such products that meet their expectations and needs while minimizing the occurrence of environmentally harmful byproducts and complying with the relevant legislation. It is a continuous, constantly evolving process derived from the development of legislation and ever more specific customer requirements.

Quality Goals

One of the long-term product quality goals is their continuous improvement, achievement of stability of the high quality of the company's products that meet all the expressed and possible hidden expectations for the specified or intended use while minimizing their negative impact on the environment. Short-term quality goals are set out annually by shop and section managers so that they can be measured and evaluated within a reasonably comparable period. The company's employees have been officially familiarized with these documents and their results at production meetings and through designated announcement places.



Ing. Eduard Mareček
předseda představenstva

Ing. Eduard Mareček
Chairman of the Board

In Modřice on 1 September 2017