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Supplier Manual

(Version 6.0)

voestalpine Automotive Components
Cartersville LLC

voestalpine

ONE STEP AHEAD.

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Supplier commitment

As a globally leading provider in the manufacturing, processing and further development of advanced steel products, in particular for high-tech industries such as the automotive, rail, aeronautics and energy industries, voestalpine has approximately 49,000 employees in 500 group companies and sites in over 50 countries on all five continents.

Thanks to our passion for detail, our expertise and our commitment, all over the world we are always **one step ahead** when it comes to high-quality steel products, research and development, protecting our environment and securing our future. We are specifically committed to strategic and future-oriented industries such as mobility and energy. We maintain long-term supplier and customer relations and apply all of our knowledge to enhance the customer-specific value chain. As a result, we are a stable and dependable partner in a constantly changing global economic environment.

We are flexible.

Our decentralised structure enables us to provide our customers with faster and better solutions.

We are specialised.

As a worldwide network of experienced specialists, we bring the right minds and competences to the table for every project.

We drive developments.

Being open towards new things and with the inquisitive mind of researchers, we think in visionary perspectives and far beyond the existing – because even the best things can still be further optimised.

With our worldwide production sites, we, voestalpine Automotive Components (hereinafter simply voestalpine), have made it our objective to optimally support our customers on the road to globalisation and with new solutions in the field of lightweight automotive construction. For our

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components, we combine innovative connection methods with efficient automation in high precision, cost-efficient serial production.

To safeguard and build on these skills and abilities, it is essential for our highly qualified employees and supply partners to understand and consistently use both tried-and-tested as well as new methods for the assurance of quality and all processes.
As our supply partner, we expect you to efficiently implement and apply quality, environmental and energy management systems according national or international standards that comply with customer and regularly requirements and use appropriate documentary evidence to show that these are working properly.



Our customers demand continuous quality improvement as well as our commitment to meet the 'ZERO-Defect GOAL'. We equally expect our supply partners to have this same goal, which is based on the principle of continuous improvement. In this regard, it is essential that the customer-specific requirements regarding our products are passed on along the entire process chain all the way to the last subcontractor, and that their implementation and effectiveness are verified.

Our request to you, therefore:Familiarise your employees and subcontractors with the customer-specific requirements.

White, 1/26/2021

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1 Introduction

We welcome you as a supply partner of voestalpine Automotive Components. We believe that this Supplier Manual is a helpful and valuable tool for you to become fully acquainted with our requirements and those of our customers. Your company will be selected, measured and evaluated against these requirements. We therefore ask you to please read this Supplier Manual carefully and implement the specifications contained herein effectively and sustainably in your company.

Copyright notes

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Overall responsibility for contents

The overall responsibility for the contents of this Supplier Manual lies with the voestalpine Automotive Components Head of Purchasing. The individual subject-related contents have been developed in close coordination with the relevant departments. This is a working document subject to continuous improvement and our supply partners are therefore explicitly welcome to provide additional content-related input.

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2 Purchasing strategy

The goal of ZERO-DEFECT QUALITY is the core of our quality policy and the basic element of our quality management system (QMS). This high standard is also a central component of our purchasing strategy.

Excellent conditions for a long-term, cooperative partnership are created by companies which:

- regard the principles of our quality policy as their own and also demand the same from their subcontractors in order to ensure end-to-end traceability;
  - have a certified QM system (IATF 16949, ISO 9001 (and MAQMSR – Minimum Automotive Quality Management System Requirements as defined by IATF));
  - comply to all legal requirements;
  - have compliance policies in regards to work ethics, anti-corruption etc. in place;
  - fully agree with our terms & conditions;
- improve and further develop their QMS on a continuous basis;
- are prepared to join us in forming a quality unit with the objective of uniform quality concepts;
- are prepared to introduce a certified environmental and energy management system;
- offer competitive services at prices compatible with the world market;
- respond to our requirements in a flexible and timely manner;
- accept our purchasing conditions, quality assurance agreements and Supplier Manual;
- support and advise us as quality-enabling partners during the entire project period;
- support our sustainable cost management process with foresight, swift responses and authority;
- are interested in building and maintaining a strategic partnership to stand out in the market through advanced expertise and innovation in an economically challenging environment;
- follow us and our customers into all relevant sales markets, acquiring specific knowledge of foreign markets;

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Support our endeavours to improve the performance of processes and to increase flexibility and responsiveness through e-business technologies.

Sustainability and compliance

All suppliers are required to comply with voestalpine AG sustainability and compliance standards, especially with the Code of Conduct for our business partners.
voestalpine does not tolerate any form of forced labor, child labor, underpayment or other form of misconduct and exploitation.
We expect from every supplier to have policies in place to prevent and sanction attempts of bribery, compliance violations, conflict of interest, discriminating behavior, and theft of either material or information.
All suppliers are required to establish a working hour policy.
Furthermore, the supplier shall have a whistleblower policy in place.
We expect that every supplier established similar standards for sub-suppliers.
Supplier are required to establish programs to address the air and water quality, energy efficiency, renewable energy and greenhouse gas emissions, responsible chemical management, sustainable resources management and waste reduction, depending on their environmental impact.

Health & Safety management

Even voestalpine does not require a certified Health & Safety management system according to ISO 45001, we expect that all suppliers take action to improve health & safety in their organization.
This includes full compliance with all applicable federal, state, and local requirements, like OSHA standards.

Information Security

Information security becomes significantly important to all suppliers managing customer-related information and data. As voestalpine pursues compliance to TISAX – Information Security Assessment, we will reach-out to our suppliers to establish measures towards information security accordingly. These measures may include access control, data storage, and protection against cyberattacks and data theft as well as data transmission.

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3 Quality management

3.1 Preface

The benchmark for the quality of our products and services is customer satisfaction. As a customer-oriented company, our quality management is geared towards understanding, recording and fulfilling the requirements of our customers above and beyond their expectations. It is therefore necessary for our suppliers to be fully integrated into our quality management processes. We regard ourselves as the link in the chain between customers and suppliers and are therefore responsible for continuity in the fulfilment of customer requirements.

3.2 Product-Specific Quality Assurance Agreement (PQAA)

The Product-Specific Quality Assurance Agreement (PQAA) contains parts-related specifications for the fulfilment of customer requirements which are either not explicitly contained in the specifications, standards and drawings at hand or which will be highlighted specifically as vital product/process characteristics in the event of deviations due to the risk of further implications (e.g. test frequency, measuring and test equipment to be used, component cleanliness). Depending on the purchase order, manufacturing process and complexity of the component, this PQAA is additionally drawn up with our suppliers and is considered a 'procurement-related agreement'.

3.3 Identification and traceability of products

Deliveries to voestalpine are uniquely labelled with item numbers, batch details and, if applicable, manufacturer identification in accordance with labelling specifications. The supplier must ensure traceability by using labelling which is firmly attached to the packaging unit. In the event of a complaint, it must be possible to conclusively identify the rejected delivery in order to contain the volume of faulty parts and initial material.

voestalpine requires EDI connectivity from all suppliers for serial products.

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3.4 Quality documents and records

Whenever voestalpine or a customer provide a specific document or template, the supplier shall apply this document or template.

The supplier provides evidence of its quality assurance measures throughout the entire manufacturing process in form of written quality assurance documents. The retention period for quality records for voestalpine' s optional evaluation is 20 years after the production phase-out of the end product in which the part manufactured by the supplier is installed. These records must be accessible for review by voestalpine upon request. They must be treated as confidential and must not be made accessible to third parties.

3.5 Locational changes

The supplier must notify voestalpine in case of significant changes in the organizational structure like

- Change on C - management level (e.g. CEO, General Manager)
- Changes in quality management organization (quality manager, certification status)
- Changes in legal status or ownership
- Insolvency
- Customer special status like new-business-in-hold corresponding for the customer corresponding to the voestalpine project

Any changes to production sites must be approved by voestalpine in writing. The supplier shall notify voestalpine as early as possible. A 6-month pre-notification period is mandatory for all planned changes. Depending on the customer requirement, the form of the requested product or process changes shall be agreed and must comply with the specifications of VDA, Volume 2, or PPAP as a minimum. The supplier must apply a change management system that meets customer specific and IATF 16949 requirements.

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3.6 Special characteristics (SC)

If a component drawing indicates a special characteristic, this is subject to particular attention and special treatment. In the event of special characteristics, the specifications established in the VDA on special characteristics (SC) must be observed. Special characteristics may refer to aspects such as dimensions and tolerances and are divided into safety-relevant, important, indicative and normal characteristics. Based on its experience and the product and process design, the supplier shall assess the need to determine and apply additional special characteristics.
In any case, the symbols used to identify special characteristics must comply with IATF 16949 and customer specific requirements.

Product safety and special, safety relevant characteristics

All suppliers are requested to announce a Product Safety and Conformity Representative (PSCR) and to establish procedures according to IATF 16949, section 4.4.1.2.
This requirement applies independent from the classification of special characteristics. This means that the supplier has to nominate and train a PSCR, even if the parts produced for voestalpine are no safety parts.
The supplier must apply the Volkswagen D/TLD – requirements wherever these requirements apply to safety critical parts (D/TLD – characteristics). The supplier needs to be aware that for D/TLD and DS/DZ parts legal requirements may apply. Therefore, the supplier has to ensure proper training of its staff. The supplier must clarify with voestalpine project management what the specific requirements and characteristics are.

The supplier must ensure a record retention period for Volkswagen D/TLD records of min 15 years starting from end of production unless otherwise specified.

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3.7 Product or process-specific requirements regarding quality assurance

The supplier is obliged to further develop the quality of products and processes through the suitable monitoring and continuous development of the production technology and tools that are used.

The supplier must ensure FIFO (First In First Out) and batch traceability for all product deliveries. For perishable products (e.g. adhesives, glue, paints, etc.) the supplier must ensure that expiration dates follow FIFO at all times. Deliveries with expiration dates prior to current stock will not be accepted.

Furthermore, the supplier is responsible to store and transport all products to ensure preservation (e.g. conservation, temperature control, exposure from dust and moisture etc.).

In case voestalpine outsources individual process steps to suppliers, the suppliers must ensure that the batches are not mixed, that FIFO is consistent, and traceability is guaranteed at all times.

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3.7.1 Process FMEA

The functionally critical characteristics determined within the framework of quality assurance require a detailed process FMEA. voestalpine may view these documents following consultation with the supplier. voestalpine must be provided with the cover sheet of the FMEA results on request.
The supplier shall review all changes and claims in its FMEA.

3.7.2 Production Control Plan (PCP)

The supplier must compile a PCP based on the process FMEA for prototypes (if applicable and requested), pre-production parts and serial parts in accordance with the specifications of IATF 16949 in the respectively valid version. Also refer to 3.7.7.
voestalpine reserves the right to review and approve the PCP. Especially the inspection methods, frequencies, SPC requirements and data submission to voestalpine are subject to project specific agreements.

voestalpine expects the supplier to conduct First-off, middle-off and last-off inspections of every production run at a minimum. Even if the supplier uses an inspection fixture (gauge) to monitor dimensional characteristics, voestalpine requires the frequent submission of CMM reports, as defined by the quality team.

3.7.3 Process capability

Providing no specific customer requirement has been defined, the procedures to determine process capability must be conducted in accordance with VDA Volume 4.1 'Assurance of quality prior to use in serial production'. The supplier will conduct and document a detailed short-term capability analysis for functionally relevant characteristics. If the minimum Cmk (machine capability index) value of ≥ 1.67 is not achieved, either optimisation of the process or a 100% inspection is planned under economic considerations. Ppk (short-term capability index) values of ≥ 1.67 apply for provisional process capability. Faulty deliveries must be excluded by accompanying inspections.

For functionally relevant or process-critical characteristics within serial production, suitable procedures (e.g. SPC or manual control chart technique) are used to prove long-term process capabilities of Cpk ≥

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1.67. Cpk (long-term capability index) values of ≥ 1.33 are specified as the target value for functionally irrelevant or non-critical characteristics.

The following deviating requirements apply for safety or legally relevant characteristics:
Short-term capability: Cmk ≥ 2.0
Long-term process capability: Cpk values of ≥ 1.67

If these values are not reached, the supplier must safeguard its deliveries with suitable testing methods and optimise the production process to achieve the required process capabilities. Faulty deliveries and inadequate processes must be excluded by accompanying inspections and, if necessary, a 100% inspection.
The supplier is responsible for determining and correctly defining functionally relevant or process-critical characteristics (unless specified) and, if applicable, for the suitable optimisation of the manufacturing systems or testing methods.

3.7.4 Labelling of parts with special characteristics

If the supplier is (jointly) responsible for the development of the delivered parts and/or services, it must evaluate the safety relevance and accordingly label technical documents, drawings and other documentary materials. The supplier is obliged to use the specified labelling unless otherwise agreed. It is furthermore obliged to implement the measures deducible from the label in serial production and to archive appropriate evidence.

3.7.5 Periodic product requalification

The supplier is obliged to check its deliveries for compliance with the specifications established by voestalpine or its customers on a regular basis. In all events, we expect proof of the periodic requalification of products and processes (VDA vol. 2) according to the requirements of the relevant customer at least every three years. Customer specific requirements may apply that require a shorter requalification period. Technically expedient product groups may be formed after consultation with voestalpine. Any deviation must be agreed between the supplier and voestalpine in writing. The required documents are to be submitted to the requester within no more than five working days from the date of the written request. No costs may be charged for any potential expenses.

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3.7.6 Samples, prototypes and pre-production parts

Initial samples, including their associated documents, must be clearly marked as such and must not be delivered along with series-produced items. Reliably specify our material number and supply additional key figures, default values and important information about the product creation within the scope of initial sampling without any request to this effect. If no initial sample prices have been agreed, prototypes and pre-production parts will be delivered in line with the serial production conditions agreed with voestalpine. Initial sample parts and their documentation are always free of charge.

3.7.7 PPA procedure (production process and product approval)

The PPA procedure serves to prove that requirements agreed with the customer are fulfilled in accordance with the drawings and specifications on hand. Within the framework of the PPA procedure, initial samples must be created in accordance with the guidelines and specifications of VDA, Volume 2. Unless otherwise agreed or specified by the customer, documents and samples are to be submitted in accordance with submission level 2. The Production Control Plan remains with the supplier for viewing unless otherwise agreed in writing (also refer to 3.7.2). Constituents must be entered into the International Material Data System (IMDS). The IMDS number and voestalpine material number must be noted on the FSR cover sheet.

The PPA report is to be sent in advance to the quality engineer assigned to the project.
In the case of mechanical fixing elements, default values must be provided within the scope of initial sampling without any request to this effect. Any missing or incomplete sampling documentation or IMDS records will be charged at the actual cost of additional expenditures.

Unless agreed otherwise with the supplier, at least six samples must be delivered together with sampling documentation and a separate delivery note specifying the reason for the sampling. Initial samples must be clearly labelled as such upon delivery and must be delivered separately.
Initial samples must always be manufactured in accordance with the workflow intended for serial production and with the machinery, materials (including precursor material suppliers), tools and systems intended for serial production. In this case, production and final inspection tests must be conducted using the testing equipment and gauges intended for serial production.

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Procedural or process-related deviations from specifications and instructions must be clearly noted on the cover sheet of the first sample report. The evaluation of the introduced samples is conducted by the QM department with the involvement of the testing and assessing departments. The supplier is informed of the overall approval in writing. Serial delivery may only occur following sample approval.
If additional sampling is required as a result of faulty deliveries of the components to be sampled or incorrectly created sample documentation with a subsequent detrimental rewinding of the sampling process by voestalpine or our end customer, this will be subject to an encumbrance fee.

Whenever the supplier contracts external laboratories to conduct testing or calibration, the supplier needs to prove that the laboratory is accredited according to ISO/IEC 17025 or to a national equivalent. In case an accredited laboratory is not available, release from the customer needs to be requested.

All suppliers are required to conduct and submit annual requalification according to the initial PPAP of all products without prior request.

Minimum required information to be submitted for requalification*
5pc full layout report
30pc capability study
Gauge R&R for all measurement devices (not limited to but including Kappa studies for visual inspection)
Process Flow
PFMEA
Control Plan

***Requalification requirements can be added or waived by the responsible Quality Representative**

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3.7.8 Trigger for the PPA Process

The following Matrix shall be used in order to trigger a PPA submission:

Trigger	Execution of PPA
New Parts	X
Production Modifications	X
Production Relocation	X
Production process modification	X
Long-term production stoppage, >12 months	X
Use of new, modified or replacement tools (not applicable to metal removing tools)	X
Change in 3rd tier suppliers.	X
Modification in the supplier's purchased parts	X
Requalification (yearly)	X

3.8 Zero-defect strategy

Within the framework of QM, the supplier must commit to the zero-defect goal, i.e. error-free delivery of products and services. Standard PPM targets will be set by voestalpine quality management unless otherwise negotiated and agreed upon in collaboration with the supplier. KPI negotiations are to be initiated by the supplier at the beginning of each year. The supplier is responsible for determining and correctly defining functionally relevant and process-critical characteristics (unless specified) based on specifications and requirements, as well as for optimising the production processes and testing methods. The supplier must notify voestalpine immediately if it recognises or considers any products/services to be faulty. The supplier shall not rework or repair any product without prior written approval from voestalpine.

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3.9 Tests by voestalpine

Under consideration of the tests to be performed at the supplier, inspection and testing by voestalpine is limited to checks of the delivery documents, identity, packaging and any clearly visible, external transport damage to the packaging. Where feasible within orderly business processes, voestalpine will either inspect the component group manufactured using the deliveries before starting the next manufacturing stage or the finished product manufactured using the component group. Further tests will follow in accordance with the random sampling schedule, during assembly or in the course of further processing.

3.10 Management of non-compliant products

Any identified deviations from the specified requirements must be reported to the responsible department at voestalpine immediately. The supplier shall get in contact with the designated supplier quality engineer as soon as the risk of suspicious material shipped to voestalpine arises. The affected parts may only be delivered subject to special approval, whereby the procedure must be documented in writing and the delivered goods labelled with this special approval.

3.11 Control of nonconforming product

Nonconforming material is any material, part or product with one or more characteristics, which deviate from the requirements in the contract, specifications, drawings, and/or other product description. The Supplier must establish and maintain a system for the identification and segregation of nonconforming product. Product or material found to be nonconforming shall be conspicuously tagged and controlled to prevent unintended use or delivery or from becoming intermingled with conforming material.

In the event of faulty deliveries, the supplier must remedy the situation immediately (replacement delivery, sorting or rework. Rework or repair requires written prior approval by voestalpine.). voestalpine will immediately inform the supplier of any required sorting and/or rework.
Sorting activities will be managed and supervised by voestalpine using internal or external support.

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Voestalpine reserves the right to decide if the work will be done with internal or external service providers The cost for sorting , testing , handling, supervising or any other activity resulted from a claim will be charged to the supplier based on the below rates.
Any incurred costs will be charged with consideration to unambiguous liability.
A chargeback file with all the cost incurred will be send to the supplier where all the cost will be detailed. Supplier must reply within 48 hours with acceptance or rejection. In case of rejection proper explanation is required. In case no feedback will not be received this will be considered as all the cost are accepted and this amount will be deducted by the fiancé department.
Supplier has the right to make a stock replacement as long the production and DOH will not be affected.

Any complaints will be charged at a USD $500 fee. Any costs associated with the problem-solving process will be reimbursed. This includes, but is not limited to customer chargebacks, sorting and rework at the customer, scrapping of non-conforming products, logistic support, expedites, supervision and audit expenses, travel expenses and costs for third party services.

Complaints must always be answered using an 8D report and, where necessary and upon request by voestalpine, through the use of problem-solving methods such as the five whys or Ishikawa. A statement on the immediate actions must be provided within 24 hours of the receipt of the notification of defects. An expanded version of the statement detailing the cause analysis and the planned remedial measures is expected within five working days. The response to the completed 8D report must be made within ten working days. Any delays caused by further processing by the subcontractor or for other reasons (outstanding, rejected parts for cause analysis) must be declared promptly in the form of an interim report. If specified deadlines are exceeded and reminders are required (reminder fee), e.g. for outstanding statements, the entire complaint quantity, irrespective of the inspection results or the actual faulty parts concerned, will become ppm-effective. Clean point deliveries must be labelled clearly and delivered with a separate delivery note.
Not meeting these deadlines or poor quality of 8Ds submitted may result in a downgrade in the supplier scorecard.

Before voestalpine returns rejected material to the supplier, return material authorization agreement (RMA) must be requested. The purpose of the RMA is to ship the rejected delivery back to the supplier

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in exchange for a refund or credit. It allows for a higher degree of guaranteed quality. Once the supplier is notified of defective/suspect material, the supplier will have 48hrs from the time of notification to disposition the suspect material (Replace suspect stock w/ RMA Written authorization to scrap material at voestalpine Supplier direct hiring/authorization of 3rd party sorting & rework (rework only allowed with written voestalpine approval)). If no disposition is given within 48hrs, voestalpine reserves the right to scrap all material at the supplier's expense.

Chargeback Hourly Rates Overview

Operator	$45/hr
Team Lead	$55/hr
Supervisor	$65/hr
Engineering	$80/hr
Quality Management	$200/hr
CEO	$500/hr

Machine Downtime Rates

$100/min

3.12 Maturity level validation/advanced product quality planning

To develop, manufacture and establish new products/processes in line with the customer's quality requirements, systematic advanced product quality planning is required along the entire supply chain. Here, the development of the product/process is supported by a suitable advanced product quality planning process (see VDA – Maturity level validation for new parts – APQP Advanced Product Quality Planning), which is designed to ensure that the supplier meets all the requirements in full and on time. The supplier is responsible for the timely planning, implementation and documentation of all activities within the scope of the maturity level validation/advanced product quality planning. It will determine the responsibilities and deadlines for the individual activities in accordance with its organisational structure. This requires intensive communication between the responsible parties (customer, supplier and subcontractors) and continuous monitoring of the project progress while meeting the deadlines (milestones) set by the customer.

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4 Supplier management

4.1 Objectives and tasks of our supplier management

Due to increasing globalization and the required presence on all relevant markets, we are dependent on reliable partners. Our supplier management team has the task of selecting suitable suppliers and consistently monitoring and improving their performance. Our objectives of increasing quality and lowering costs within the partnership make sure that we remain competitive. A solution and goal-oriented complaints management process and sustainable supplier development foster long-term strategic partnerships.

Any business relations are based on our service and cooperation criteria with suppliers. These are:

- ✓ **Quality**
- ✓ **Costs**
- ✓ **Technology**
- ✓ **Logistics**
- ✓ **Communication**
- ✓ **Innovation**

Our customers' expectations towards our services and cooperation are the same as the expectations we have towards our suppliers.

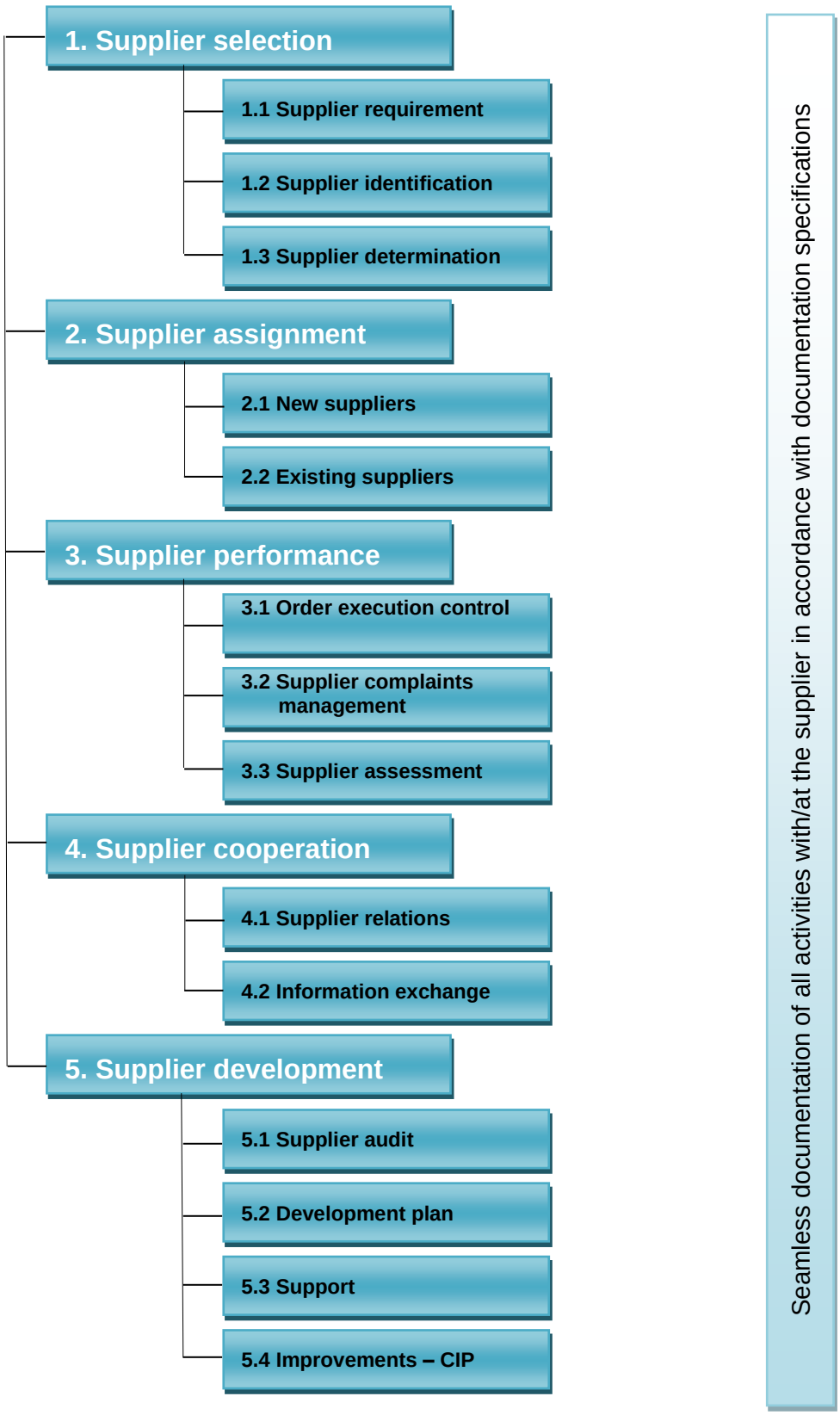
4.2 Supplier management structure

The stages of our supplier management process are governed by our supplier strategy. Our goals and strategy are tailored to the needs of our external and internal customers and proactively adapt to the changing framework conditions and new challenges.

The five main supplier process stages (selection, assignment, performance evaluation, cooperation and development) are presented in the structural overview that follows.

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4.3 Supplier management process stages



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4.4 Process stage objectives and tasks

Process stage	***Process stage objective/task***
1 **Supplier selection**	▪ Preventative planning and evaluation of new suppliers in order to maintain a quality-compliant strategic and operational 'set of suppliers' ▪ Availability of suppliers for any technical challenge ▪ Transparency of supplier competence(s) ▪ Ensuring usage of qualitative on-time feasibility studies and proposals for award decisions ▪ Optimising the quality of procurement decisions ▪ Ensuring sufficient capacities at the suppliers ▪ Identifying and evaluating risks in the supplier chain ▪ Planning and executing methods for reducing the quality risk
2 **Supplier assignment**	▪ Assignment to approved suppliers with analysed supplier performance ▪ Controllable and secured assignment to new suppliers ▪ Safeguarding all requirements for fault-free order assignment ▪ Supplier consent for the fulfilment of all agreements ▪ Management/monitoring of order execution/fulfilment
3 **Supplier performance**	▪ Verification of the order fulfilment quality ▪ Determination of the target/actual status of agreed requirements ▪ Introduction of suitable measures in the event of deviations and monitoring their effectiveness ▪ Assessment of suppliers and positioning ▪ Analysis of assessment results and verifying the impact on the set of suppliers
4 **Supplier cooperation**	▪ Partnership-based communication with suppliers ▪ Scheduled communication regarding goals, requirements and problems ▪ Targeted/special quality discussions with P-Suppliers (P = Problem) ▪ Information exchange regarding customer developments and trends ▪ Integration into our performance standards on quality, costs, technology and innovation

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5 **Supplier development**	▪ Supplier audits to indicate potential areas for improvement ▪ Development of measurement parameters, key indicators and performance criteria ▪ Creation of development plans for certain/selected suppliers ▪ Improvement of supplier efficiency ▪ Focus on joint performance orientation in the supply chain

4.5 Supplier selection process

Suppliers are strategically selected by the Purchasing team in close cooperation with the Supplier, Development, Project Management, Quality Assurance, Logistics and Production teams of the respective branches.

A strictly defined supplier approval process within our company group ensures that we only include companies in our supplier set who share our high standards and who, in turn, expect these high standards from their own suppliers. We classify our suppliers according to the goods and services supplied to us.

4.5.1 Production material suppliers/production equipment suppliers

Production material suppliers are suppliers who provide us with goods and services that are directly incorporated in our end products or that have a direct impact on the quality of the end products. These include, among others:

Production materials

- Slit strips (coils), sheet metals (blanks), piping, circular material
- Components for assembly groups (screws, nuts, pressed parts, turning parts, etc.)
- Outsourced processes (punching, coating, assembly work, cleaning and degreasing, welding, friction grinding, blasting, etc.)

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Production equipment

- Services (e.g. quality controls, sorting services, maintenance, calibration, design services, etc.)
- Tools, tool components (e.g. standard parts), gauges, testing and measuring devices, outsourced processes for toolmaking
- Production facilities

Cooperation with these suppliers is based on a quality management system, the functionality of which must be proven by certification according to one of the following standards and specifications (unless required otherwise by our customers):

- ✓ **IATF 16949**
- ✓ **ISO 9001**

The supply partner must provide evidence of the quality management systems by submitting a copy of the valid quality certificate on time and without a request to this effect.

Other approval requirements for production material/equipment suppliers are:

- Approval by the customer (as directed supplier)
- Evidence of a certified environmental management system in line with ISO 14001
- Evidence of a certified energy management system in line with ISO 50001
- Submission of a signed Non-Disclosure Agreement
- Submission of a completed supplier self-audit by request
- The overall classification 'Approved Supplier' in accordance with VDA 6.3 – P1 potential analysis
- Other approval verifications depending on the supplied good or service

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4.5.2 Non-production-material suppliers

Non-production-material suppliers are suppliers who provide us with goods and services that are not directly incorporated in our end products but are instead exclusively required for the manufacturing of these end products. Any direct impact on the quality of the end products must be excluded. These include, among others:

- Maintenance materials for machinery, systems, and buildings
- Indirect materials such as oils, greases, lubricants, technical gases, welding and grinding materials, cleaning materials, processing tools and office materials
- Services such as consulting services

Although a certified QM system is not mandatory for these suppliers, it is explicitly desired.

Other approval requirements for non-production-material suppliers are (depending on the supplied good or service):

- Submission of a signed Non-Disclosure Agreement

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4.6 Supplier assignment and spare-parts supply

4.6.1 Blanket orders

Our blanket orders are drawn up for either a specific or an unlimited period and presume that the supplier will achieve and maintain the agreed performance regarding quantity, quality, costs, and delivery dates during serial delivery.

The specified target quantity p.a. (rolling) and necessary flex-rate in line with customer specifications must be ensured through an appropriate number of shifts per week. However, this is always an unbinding quota that we intend to request and there is therefore expressly no guarantee of purchase. Adherence to individually agreed production and precursor material approvals is imperative. If the supplier manufactures outside the agreed production and precursor material approvals, it runs the risk that goods will not be requested. The individual provisions of the concluded and agreed delivery contract also apply.

4.6.2 Delivery requests

Delivery requests issued on the basis of the individual blanket orders are binding with regard to quantities and deadlines within the framework of the agreed production and precursor material approvals. All other quantities and deadlines are target figures and are therefore not binding. Deliveries deviating from our delivery requests are possible in individual cases, but only after prior approval from our Material Planning or Purchasing department. In the case of premature deliveries, we reserve the right to reject acceptance at the supplier's expense.

4.6.3 Quantity fluctuations in delivery requests

Major quantity fluctuations may occur within the scope of delivery requests. These could be in the form of quantity increases or decreases per delivery schedule. Immediately upon receipt of the request, the supplier must ascertain its ability to react to and deliver the requested quantities. Supplier should always have a safety stock of one week on FG and two weeks on raw material to prevent short shipments coming from the fluctuations.



In the event of emerging problems, the supplier must inform the Material Planning department of the relevant voestalpine production site within **24 hours** of receiving the request.

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4.6.4 Under/over-deliveries

Production-related over-deliveries to an extent normal for the industry (max. 5% of the ordered quantities) are permissible on exceptions. Under-deliveries are generally only permissible subject to written approval from voestalpine. We furthermore reserve the right to charge whoever caused the under-delivery for any additional costs we incur as a result of it.

4.6.5 Delivery deadlines and periods

The delivery period specified in the orders, or the delivery requests is binding. Compliance with the delivery deadline or period shall be based on the receipt of the goods at the relevant place of destination. Unless DAP/DDP delivery is agreed, the supplier must provide the goods in good time under consideration of the standard timescales required for loading and dispatch and give advance notice of them in line with the applicable routing order.
The supplier must also notify us in writing without delay of any circumstances that arise or that it identifies which mean that it will not be possible to comply with the delivery period specified on the order or delivery requests.

4.6.6 Delayed deliveries

Within the framework of commercial due diligence and the contractual agreements, the supplier must notify us of any **emerging delays in delivery immediately, but no later than 24 hours** from receipt of the delivery request. If delivery is not available to be shipped in the date and quantity based on the release, supplier will take responsibility to ship at their expense, including expedite shipments when is necessary to keep our lines running. The supplier shall get in contact with our logistics team immediately. **The supplier must take all available measures to prevent such delays.**

4.6.7 Spare-parts supply

Our customers place great value on a high degree of efficiency in spare-parts supply. The spare-parts supply is therefore equally significant in relation to pricing, quality and adherence to delivery dates as the supply for serial production. Spare parts are required as replacements when vehicle parts are exchanged.

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The supplier is obliged to supply voestalpine with spare parts during a minimum period of **15 years** after serial phase-out.



The scrapping of tools, equipment, residual parts stock, etc. may only be initiated with prior written consent from voestalpine.

4.7 Supplier performance

The performance of a supplier is permanently monitored and assessed during delivery. This is done using our order execution control, complaints management process or supplier assessment. voestalpine assess supplier performance on a monthly basis. The scorecards are published to the supplier on a bi-monthly basis.

4.7.1 Order execution control

Our order execution control encompasses formal (e.g. identity, quantity, deadline, packaging, obvious faults) and special (according to inspection plan) incoming goods inspections.

4.7.2 Supplier complaints management

The supplier must ensure the flow of information and prompt processing of any complaints. This specifically applies upon the request for the creation and submission of an 8D report. Non-adherence to specified execution periods will trigger a reminder and may result in an escalation score. Such uncooperative behaviour will also negatively affect the supplier assessment. The resultant expenses must be borne by the supplier. Suppliers must use the voestalpine 8D template for each incident. An 8D is expected for every claim unless otherwise stated by the responsible QM or LM associate.

4.7.3 Supplier assessment

Supplier assessments are carried out regularly (at least annually) and form the basis for our further purchasing strategy. Where necessary and in the event of grievances and non-compliance with our requirements, the supplier will be invited to development and performance meetings. In this regard, we refer to our supplier escalation process (section 4.8), which is used in the event of a negative supplier assessment. The supplier assessment is presented and described in detail in Annex 1.

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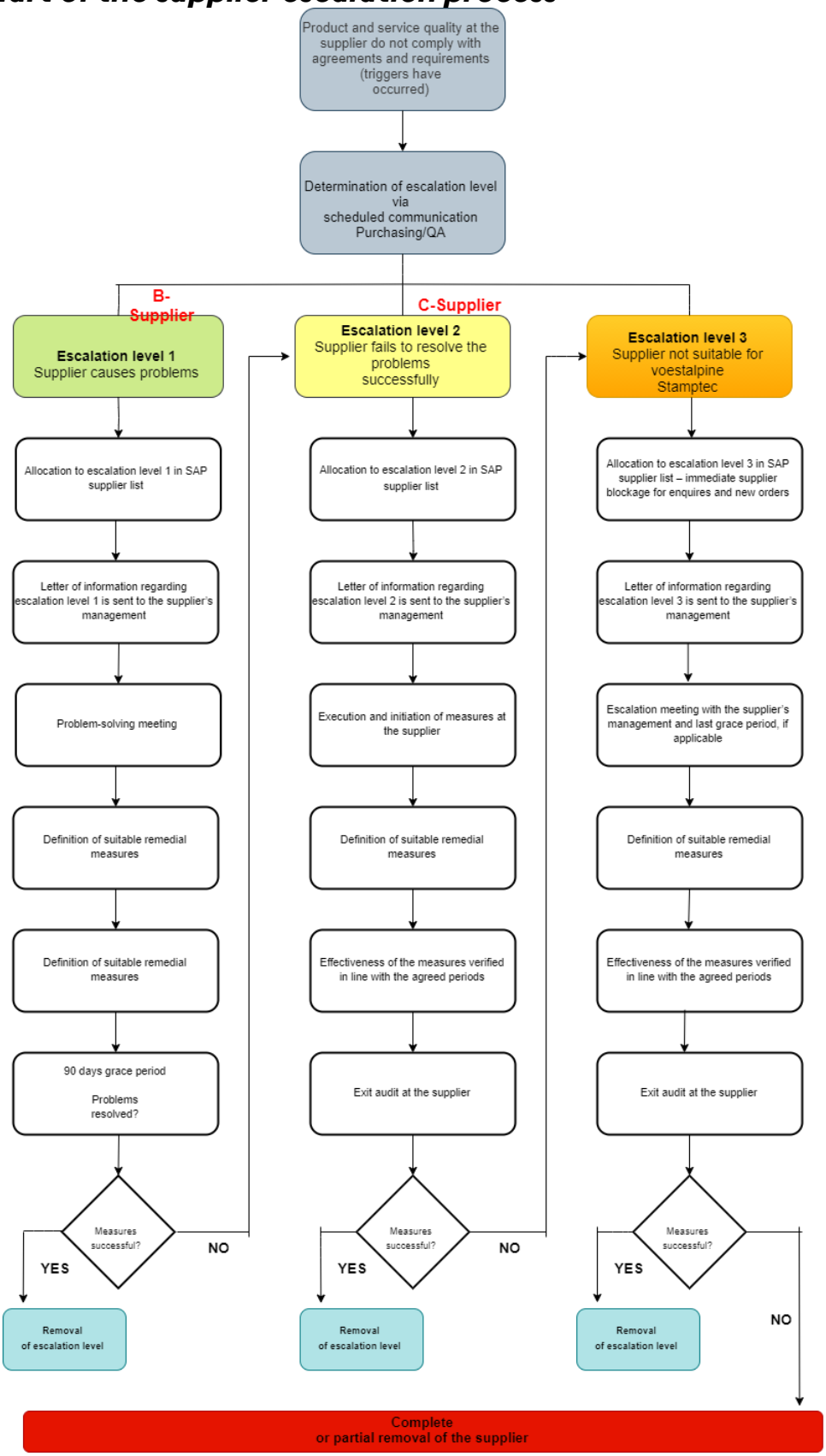
4.8 Supplier cooperation/supplier escalation process

Our supplier escalation process is a central component of our supplier management. The objective of this procedure is the early detection of problems in the course of projects and production and the counteraction of these with suitable measures. In the event of faults caused by the supplier, this process allows us to define targeted corrective measures and to make sure that they are being fully implemented.

Escalation level	**Trigger**	**Measures**	**Exit scenario**
1 **Supplier causes problems** **Product and service quality do not comply with agreements and requirements**	Factually: ▪ Score as a B-Supplier in the supplier assessment Potentially: ▪ Inadequate complaint behaviour (deadline, quality, content, delay of measures) ▪ Non-adherence to quantities and deadlines ▪ Inadequate willingness to cooperate ▪ Communication issues	Factually: ▪ Letter of information regarding escalation level 1 to the supplier's management ▪ Problem-solving meeting with the supplier to clarify and define suitable corrective measures (quality meeting, escalation meeting)	90 days grace period Problems resolved?
2 **Supplier fails to resolve the problems successfully**	Factually: ▪ Score as a C-Supplier in the supplier assessment ▪ Escalation level 1 not successful ▪ Supplier causes identical problems to a previous escalation within 24 months	Factually: ▪ Letter of information regarding escalation level 2 to the supplier's management ▪ Billable performance of measures at the supplier's premises (audit, process analysis, risk assessment) ▪ Intensive supplier support	Exit audit at the supplier
3 **Supplier not suitable for voestalpine** **'Business hold'**	Factually: ▪ Escalation level 2 not successful ▪ Special status at customer (e.g. QHelp) caused by supplier	Factually: ▪ Letter of information regarding escalation level 3 to the supplier's management ▪ Immediate supplier blockage for enquires and new orders ▪ Escalation meeting with the supplier's management and last grace period, if applicable ▪ Partial or complete removal of the supplier	Exit audit at the supplier

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4.8.1 Flowchart of the supplier escalation process



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4.9 Supplier development

4.9.1 Supplier audit

voestalpine performs audits in accordance with our audit schedule. The choice of the audit, organization, planning, and execution is done by an audit team appointed by our supplier management in close cooperation with the individual divisions. Audits according to the VDA 6.3 questionnaire are the standard. The supplier is informed of upcoming audits within 24hrs and must ensure that these can be smoothly conducted. In the case of incident-based supplier audits, we reserve the right to carry out the procedure in the form of a 'surprise audit' with 24hrs notice and charge the costs to the party responsible at a daily rate of USD 800 p.P. plus any applicable travel expenses, billed by full (> 4 hours) and half (up to 4 hours) days.

In this regard, the supplier must ensure uninhibited access to all applicable production sites as well as information exchange in accordance with the partnership-based cooperation which forms the basis of our contractual relations.

4.9.2 Supplier development plan

The supplier can agree to an appropriate supplier development plan (target agreement) containing targets and agreements in various areas. We consistently monitor the punctual performance of the plan and its effectiveness. A review must be conducted at regular intervals.

4.9.3 Supplier support

If requested and agreed, we provide the supplier with support activities.

4.9.4 Continuous Improvement Process (CIP)

The supplier must ensure that all processes associated with the production run are continuously analysed and optimised. The objective is to use insights gained to initiate the consistent implementation of improvement measures and monitor their efficiency.

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5 Environmental and energy management

5.1 Environmental and energy guidelines/policy

We are aware of our responsibilities to the environment and people. We therefore regard putting environmental protection into practice as a matter of course. The careful usage of water, energy and raw materials, as well as the prevention of noise, air and ground pollution are important obligations we commit to every day – at all our sites and during all process flows.

5.2 Environmental and energy targets

Consistently sustainable commercial activities and the continuous systematic assessment of the potential and actual environmental impact of procurement, production and logistics activities as well as of new investments will contribute to our ability to keep our environmental impact as low as possible and to conserve natural resources to the greatest possible extent. voestalpine requires all suppliers to establish an environmental management system according to ISO 14001.
In case this system has not been established, the supplier is required to present a development plan towards ISO 14001 certification. All suppliers are requested to fully comply to all environmental regulations (on a federal, state and local level), independent from ISO 14001 certification.

5.3 Environmental and energy management system

Our integrated management system supplies a central planning and monitoring tool for implementing our environmental policy, monitors our ambitious environmental and energy-related objectives and controls operational procedures with relevance to the environment and energy use. All documented responsibilities, procedures and activities are aligned to the respective operation/division-specific environmental requirements. We also involve our suppliers and contractors in our environmental and energy management system and try to ensure that suppliers adhere to the same environmental standards demanded from us by our customers. voestalpine expects the supplier to thrive to reduce the consumption of energy and to reduce the emission of greenhouse gases. A management system shall be in place to ensure natural resources are used responsibly, waste and water consumption are

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minimized, and the usage of chemicals and toxic material is managed effectively. An environmental management system certified according to ISO 14001 and the energy management system certified according to ISO 50001 prove compliance to these requirements.

5.4 Continuous improvement

We achieve continuous improvement in our environmental and energy-related work/performance through the following, for example:

- The best available system and machinery technology
- EMS and EnM as planning and control tools
- Boosting our employees' environmental awareness
- Internal environmental and energy audits

5.5 Requirements for suppliers

WE EXPECT

- active support from our suppliers, disposers and all other contractors in the realisation of our environment-related activities – from order acceptance to final disposal.

- our suppliers to handle raw material, products, packaging and waste correctly and in an environmentally conscious manner.

- our suppliers to commit to the adherence of all environmentally and energy-related legal regulations, especially the adherence to substance prohibitions (such as those listed in Directive 2000/53/EC on end-of-life vehicles) and confirm the non-use of prohibited substances in writing. Substituted substances must be declared to voestalpine through an entry in the IMDS database and approved if applicable.

- the responsibilities and authorisation of all persons with environmentally relevant tasks in cooperation with voestalpine to be documented and declared.

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- supplier/external company employees to comply with in-house specifications and regulations pertaining to occupational safety and environmental protection when entering voestalpine company premises. The relevant agreements require prior confirmation in writing.

- our suppliers to be prepared to introduce a certified environmental management system in line with future developments/customer requirements. The checklist 'Environmental Management for Suppliers and Service Providers' is a component of the procurement documentation and must be completed, signed and returned to Purchasing within 14 days.

- the supplier to approve and support the execution of environmental audits if these are deemed necessary by voestalpine.

- our suppliers to commit to the adherence of all environmentally relevant legal regulations, especially the adherence to registration obligations **(in accordance with REACH Regulation 1907/2006 EC)** and substance prohibitions. Substituted substances must be declared to voestalpine and approved if applicable.

- the requirements of **EU Directive 96/26 (Radioactivity)** to be implemented.

- active support in our efforts to avoid the non-essential consumption of energy and implement energy-saving measures, and hereby inform you that your quotations and services will likewise be evaluated in the light of these criteria.

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6 Specifications by Purchasing

6.1 The voestalpine Purchasing department

The Purchasing department is based at our White, GA 30184 site, 21 voestalpine Drive NE. The details of the relevant contact partners can be found online.

6.2 General Terms and Conditions of Purchase

All purchase orders are exclusively subject to the voestalpine General Terms and Conditions of Purchase (in their respective current version). If required, these can be requested from the responsible purchaser or downloaded from the internet.

6.3 Obligation to cooperate with the Purchasing department

Close cooperation between the supplier and Purchasing is imperative for the achievement of common goals. To guarantee optimum efficiency, transparency and coordination, the supplier agrees to work exclusively with Purchasing with regard to all commercial matters. The Purchasing department is exclusively responsible for the conclusion of blanket contracts, orders and procurement-related agreements. The supplier is requested to consistently reject any verbally received orders without a purchase order number. Invoices without an order reference will be consistently returned. Visiting appointments of any kind at any of our sites shall be coordinated with the responsible voestalpine party.

6.4 Minimum information on invoices

The supplier must ensure that the following information is posted on invoices:

(a) the legally specified mandatory elements
(b) the voestalpine purchasing document number (delivery schedule, order, etc.)

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(c) the date of the purchasing document

(d) the name of the ordering party

(e) the voestalpine parts or item number

(f) the invoice total with quantity units

(g) the supplier's delivery note number with delivery date

Payment terms and discounts are generally calculated from the date of receipt of invoices by voestalpine.

We reserve the right to bill any additional work required due to a missing or incorrect delivery note or invoice information at the amount of the actual additional expenditure.

6.5 Stocktaking

Where we provide the supplier with free materials or parts for further processing, voestalpine may require stocktaking to be conducted several times per year. Such stocktaking must be performed by the supplier free of charge. voestalpine reserves the right to bill the supplier for the manufacturing costs of the deviating quantity.



Stocks must be reported in the specified period and form.

6.6 Process-induced under-delivery in relation to outsourced processes

Deliveries with a deviation of greater than 1% will be officially complained about by the department concerned in the form of quantity-based complaints. However, the maximum deviation rate for a rolling period of 12 months is restricted to 0.5%, whereby voestalpine reserves the right to assess all incidents and invoice the supplier for the manufacturing costs of the deviating quantity. As a matter of principle, every component group and every delivery will be individually assessed; Deliveries cannot be balanced through a combination of over shipping and under shipping. To make use of this special rule, however, the supplier must have declared its process as critical in relation to voestalpine during the tender phase or in all events by no later than during initial sampling and provide evidence of this to voestalpine.

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6.7 Specifications for suppliers

Verbal and written communications with us must be made in English and/or German.

We regard it as a given that our suppliers pay their employees in a timely manner, in full and at least at the minimum wage, while also fulfilling the additional provisions of the US Fair Labor Standards Act (FSLA). Our suppliers furthermore undertake to use suitable measures to ensure that their appointed subcontractors likewise fulfil the provisions of FLSA.
voestalpine is entitled to demand proof, at any time, that these provisions are being adhered to. Our suppliers will indemnify and hold voestalpine harmless for any and all third-party claims that arise from a breach of duty pursuant to FSLA. Our suppliers are furthermore liable to voestalpine for any and all loss and damage that arises from the failure on the part of our suppliers or their appointed agents and subcontractors to fulfil the provisions of FSLA.

Our customers' specifications with regard to product safety officials at suppliers (including from the Formula Q-concrete) must be fulfilled by our suppliers regardless of whether quantities are already being delivered to the applicable customers. The tasks and requirements in relation to this role can be conducted by either one or more qualified and appointed persons or a responsible specialist department (Plant Manager, Head Of Quality Assurance).
Until an official appointment has been made, the management must carry out this role in person.

7 Logistics specifications

7.1 Preface

The logistics specifications are valid independently of any other delivery conditions and form part of the contract, unless otherwise agreed in individual cases or on a plant-specific basis. If these logistics specifications are not complied with, the supplier may be billed for the arising additional costs or can be held liable for incurred losses of any type.

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voestalpine uses computer-controlled automated transport devices and similarly controlled warehouses for storing delivered materials. To ensure smooth handling during the incoming goods, transport and warehousing stages, as well as traceability, the suppliers must observe a number of requirements when packaging and labelling the delivered goods as well as when using load carriers.

Efforts should be made to reduce the amount of packaging material for economic and environmental reasons.

This guideline describes the requirements for incoming deliveries and packaging with regard to quality, environmental aspects, economic aspects and occupational health and safety. It must always be observed when developing, designing and planning any packaging.

The responsibility for transportable, manageable packaging, which ensures safe and damage-free delivery to the place of use, is with the supplier. The supplier must furthermore inform voestalpine about optimum batch sizes (fill level per packaging unit, number of items per layer, number of items per pallet).

Any deviations from these logistics specifications must be approved by voestalpine in writing.

Incoming deliveries will be checked for compliance with the logistics specifications in the voestalpine Incoming Goods department.

7.2 Ex-works deliveries

Goods deliveries for which the shipping regulations exw place of shipment (Incoterms 2010) or FCA (Incoterms 2010) have been agreed with our Purchasing department are subject to our routing order (shipping regulations). The routing order defines the selection of shipping agents.
In the event of non-compliance with the routing order, the shipment's customer will be liable for the resultant freight costs.

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7.3 DAP/DDP deliveries

For DAP/DDP deliveries, the supplier is obliged to assure the quality all the way to the destination. In accordance with this requirement, shipping companies must be included in the supplier's QM system. The modes of transport and packaging must have been approved by voestalpine. The supplier must ensure that the quality of the deliveries remains uncompromised during correct transport to the recipient as well as during processing in the Production department. If damage cannot be excluded with the use of the packaging specified, the supplier must indicate this and present suitable alternative packaging.

7.4 Labelling

7.4.1 Delivery note

Each incoming shipment must include a delivery note indicating the following information:

- Delivery note number
- Sender's details
- Automotive Components part number (6 or 10-digit)
- Automotive Components order number
- Product name
- Quantity per load carrier delivered
- Weight
- Number and type of all load carriers used

We recommend the use of delivery note DIN 4991/4994 or content according to VDA 4913.

For ex works shipments, the delivery notes should be attached directly and securely to the goods in plastic sleeves. For shipments DDP/DAP place of destination (Incoterms 2010), the supplier must instruct its service provider to provide the papers together with delivery of the goods. In case of doubt, the delivery notes for these deliveries should also be attached directly to the goods in plastic sleeves.

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7.4.2 Labelling of transport units and packaging units

Each transport/packaging unit should be labelled as follows:

- Pallet identification number
- Delivery note number
- Automotive Components part number
- Product description
- Quantity per transport/packaging unit
- Goods recipient
- Supplier
- Run specific traceability (ex: Julian Date(s))
- Weight
- Delivery note date

We recommend the use of labels according to VDA 4902.

The labels must be attached in the dedicated label holders or clips. When using pallet cages, the labels must be attached to the short side.
Other labels must be securely attached to the load units using cloth stickers.

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7.5 Packaging

As a matter of principle, all packaging should correspond to the shipped goods and the stress during transportation. The packaging should be selected in consideration of economic and environmental aspects with regard to recyclability and/or reusability. We generally prefer the use of wood from responsible forestry management in order to prevent the use of tropical wood.
Reusable packaging should be used whenever logistically expedient and feasible. The separate billing of packaging materials and packaging expenses is not generally permitted.
In the case of overseas shipments, the packaging must be specially agreed upon with the respective plant logistics department.

The supplier will ensure compliance with the cumulated limit of 100 mg per kilogram for heavy metals such as lead, cadmium, mercury and chromium VI in packaging and packaging components, as stipulated by the German Packaging Regulation ('Verpackungsverordnung') of 21/08/1998 (BMU – Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, current version).

Wood used for the manufacturing of pallets must be treated with a method recognised in accordance with the IPPC standard in compliance with the ISPM 15 standard (Guidelines for regulating wood packaging material in international trade) and indicated on the packaging by regulatory-compliant labelling.



If the disposal cost of disposable packaging has already been paid by the supplier, this must always be indicated.
Breakable goods must be clearly identified with the commercially typical icons. As a matter of principle, only one Automotive Components part number should be packed per transport unit. Where this is not expedient for cost or volume reasons, the transport unit must be divided vertically into separate packaging units for each Automotive Components part number and labelled as a mixed pallet.
Any existing residual quantities which deviate from our filling quantity specifications should also be clearly labelled with the phase 'residual container'.

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Defective load carriers are not accepted or exchanged as a matter of principle. Any additional work such as repacking work and disposing of disposable packaging, which are caused by non-compliance with these shipping regulations, will be billed to the supplier.

7.6 General

Filling level of packaging:

- Large load carriers such as pallet cages etc.: max. 10 cm below the upper edge
- Small load carriers: max. up to the stacking edge

Cleanliness of packaging:

Only containers that are free of dust, oil and grease may be used.

If the cleanliness of the containers does not meet the quality requirements for the materials to be transported in them, the supplier must perform additional cleaning measures at its own expense, e.g. washing the containers.

Weights:

The maximum weight of a transport unit equals the indicated loading weight of the relevant load carrier, but must not exceed a maximum of 1,000 kg.

Maximum weight of cardboard boxes/small load carriers: 15 kg

Outlines:

Any weighing slips or loosely attached goods identification notes and third party barcodes from old labels etc. are not permitted as those will cause malfunctions in the automated transport and warehousing systems.

Securing the loads:

The entire pallet must be secured with a lid and strapped.

If no lids are available or the type of packaging is not suitable for a lid, edge protectors should be used for strapping.

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7.7 Deliveries by truck

7.7.1 Pallet cages

The quality of the DB pallet cages used must meet the EPal standards (www.epal-pallet.org). Any DB pallet cages used must meet standards DIN 15155 and UIC 435-3. Repairs to pallet cages must be effected professionally in accordance with goods standard UIC 435-4.
Pallet cages will be exchanged where possible or settled via account. Defective pallet cages will not be accepted or exchanged. To prevent injuries and protect the goods, the supplier is required to line each pallet cage with hard cardboard.

7.7.2 Euro-pallets

When delivered on Euro-pallets, the packaged goods must not protrude beyond the dimensions of the pallet. The quality of the Euro-pallets used must meet the EPal standards (www.epal-pallet.org). Any Euro-pallets used must meet standards DIN EN 13698-1 and UIC 435-2. Defective Euro-pallets will not be accepted or exchanged.
Euro-pallets will be exchanged where possible or settled via account.

7.7.3 Small load carriers (SLCs)

Deliveries in SLCs always occur upon instruction (packaging regulations or other contractual provision). These can be delivered on either Euro-pallets or industrial pallets. Maximum stacking height including pallet: 980 mm

The stipulated container formats, container filling quantities and type of packaging can be found in the relevant packaging regulation. If no packaging regulation is available at the time of dispatch, the supplier must package the goods to be transported in a cost-neutral manner in line with the stresses to which they will be subjected during shipment. There can only be one residual container per Automotive Components part number. This placed at the very top of the packaging item and labelled with the residual quantity.

The supplier must make sure that the SLCs are clean. If necessary the supplier will clean the SLCs at its own expense. Under no circumstances may soiled containers be used for packaging and delivery.

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The supplier is responsible for providing timely notification of empties using the known contact details.

7.7.4 Coil deliveries

Unless otherwise agreed in individual cases, the 'voestalpine General Packaging Regulation for Coils' in its respective current version applies.
Individual agreements (including on maximum weights and dimensions) are stored in the delivery schedules and orders (purchasing order text), among other places, and therefore known.

7.8 Deliveries

The unloading point is defined in the framework agreement/request/order/EDI datasheet and must be conveyed to the relevant shipping agent by the supplier. The ramps in the Incoming Goods department can only be approached in reverse, have loading bridges with a width of 2,000 mm and accommodate a loading platform height of 800 to 1,400 mm.
Coils must be unloaded from the side with a forklift, or by crane directly in our coil warehouse.
The delivery trucks should be selected according to these conditions or indicated on the delivery note.
During delivery, other third party goods must not be placed on the loading platform in front of the voestalpine goods, which would first have to be unloaded before being able to unload the voestalpine goods.
In the event that any resulting load shifting activities lead to damage or destruction of the third party goods, voestalpine will only be liable in cases of intent.
Delivery vehicles must be in a roadworthy condition in accordance with the applicable legal regulations and suitable for the intended purpose.
They must have load securing facilities, pursuant to VDI 2700 et seq., according to the intended purpose.
At some voestalpine sites, deliveries effected 'DDP' can only be received by the Incoming Goods department after a prior timeframe arrangement. This does not apply for parcels (UPS, GLS, DHL, etc.).
The delivering shipping agents must notify our logistics department in advance of delivery.

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Annex 1 – Supplier assessment

Supplier management conducts our supplier assessment at least on a bi-monthly basis. This considers all production material suppliers, selected production equipment and service suppliers that are of strategic importance due to type, scope, status, sales or development objectives. Exempt from assessment are suppliers that have not supplied anything in the assessment period, non-approved suppliers, suppliers with which a customer relationship also exists and 'associated enterprises'. Each assessment criterion is scored with points from 1 – 100 (100 being the best score and 1 the worst score). When assessing production equipment suppliers, the hard facts are not required.

Soft facts:

Soft facts are the impact criteria that cannot be measured by machines or that can only be captured in a system with unreasonable economic effort. This applies for both objective and subjective criteria. Soft Facts are marked (SF):

Regarding the individual criteria:

Quality

Quality ppm = ppm value (parts per million):

The received quantity of materials is compared to the rejected quantity and thus provides an indication of the physical quality of the received goods. PPM is calculated for each defective piece or batch of material that is found by voestalpine or voestalpine' s customers.

Special cases:

Supplier Notified Defects - Any material that is self-identified by the supplier prior and communicated to voestalpine prior to delivery will not be count towards the supplier's PPM.

Supplier Initiated Sorting: Once a defect is found and communicated to the supplier, the initial complaint qty. will be charged to the supplier; however, if the supplier initiates 3rd party sorting,

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replaces the suspect material or personally contains the suspect material on-site, any additional material found will not be added to the initial ppm qty.

PPM Multipliers -Defective material found at the customer's facility will result in an added 10% PPM penalty. Defective material resulting in a recall or campaign will result in an added 25% PPM penalty. The ppm value is determined using the following formula:

$$\text{ppm value} = \frac{\text{Defective parts}}{\text{Delivered quantity}} \times \text{1,000,000} \times \text{Multiplier}$$

We always base our approach on the 'ZERO-FAULT GOAL' and therefore award points as follows in the event of deviations:

- 0 ppm = 100 points
- 1 – 100 ppm = 80 points
- 101 – 250 ppm = 60 points
- 251 – 500 ppm = 40 points
- > 500 ppm = 1 point

CPM:

The CPM (Claims Per Million) is a key indicator (lead indicator) that shows the statistical number of occurrences of goods or services with defects. CPM establishes the ratio between the number of complaints (Q reports) and the number of incoming goods items. This rate reflects our supplier's service quality.

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Calculation formula:

$$\text{CPM (Claims per Million)} = \frac{\text{Number of complaints}}{\text{Number of incoming goods items}} \times 1{,}000{,}000$$

The following point scores apply:

- Outperformed target = 100 points
- Met Target = 80 points
- Met 80% of target = 60 points
- Less than 80% of Target = 5 points

Complaint behaviour (SF)

- Very good = 100 points
- Good = 80 points
- Below Average = 30 points
- Unsatisfactory = 1 point

Customer special status (e.g. Q-Help) caused by supplier (knock-out criterion) (SF)

- Special status caused by supplier = 1 point
- Not assessed = n.a.



Knock-out criterion for the soft facts. Should the supplier have caused a special status at the customer, a score of 1 will be awarded for all the soft facts regardless of other criteria.

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Supply performance

Adherence to delivery dates and quantities, additional shipping costs (SF)

The adherence to delivery dates and quantities is calculated by the responsible materials planner by comparing the delivery quantity and the delivery date with the target specifications. If the delivery is generally made on the agreed date (max. 1 day earlier), we award 100 points. Otherwise, the following deviations apply:

Deliveries mostly too early

- Delivery 1 day too early = 100 points
- Delivery 2 days too early = 80 points
- Delivery 3 days too early = 60 points
- Delivery 4 days too early = 40 points
- Delivery > 4 days too early = 1 point

Deliveries partly too late:

- Delivery 1 day too late = 80 points
- Delivery 2 days too late = 60 points
- Delivery 3 days too late = 40 points
- Delivery >3 days too late = 1 point

Incorrect Quantity (Too much/ not enough material)

- Over Delivery >10% = 100 points
- Over Delivery <10% = 80 points
- Under Delivery Not Permitted = 40 points
- Missed Delivery = 1 point

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Additional shipping costs (extra trips caused) (SF)

- No extra trips caused = 100 points
- 1 extra trip caused = 80 points
- 2 extra trips caused = 60 points
- 3 extra trips caused = 40 points
- >3 extra trips caused = 1 point

Purchasing

Competitiveness (value for money) (SF)

- Very good = 100 points
- Good = 80 points
- Satisfactory = 60 points
- Unsatisfactory = 40 points
- Insufficient = 1 point

Quality certification

IATF 16949 = 100 points

ISO 9001 plus Minimum Automotive Quality Management Systems Requirements (as defined by IATF) = 80 points

ISO 9001 = 60 points

No certification = 1 point

Environment

EN ISO 14001 = 100 points

Environmental questionnaire completed = 60 points

Environmental questionnaire not completed = 1 point

Cooperation (SF)

Very good = 100 points

Good = 80 points

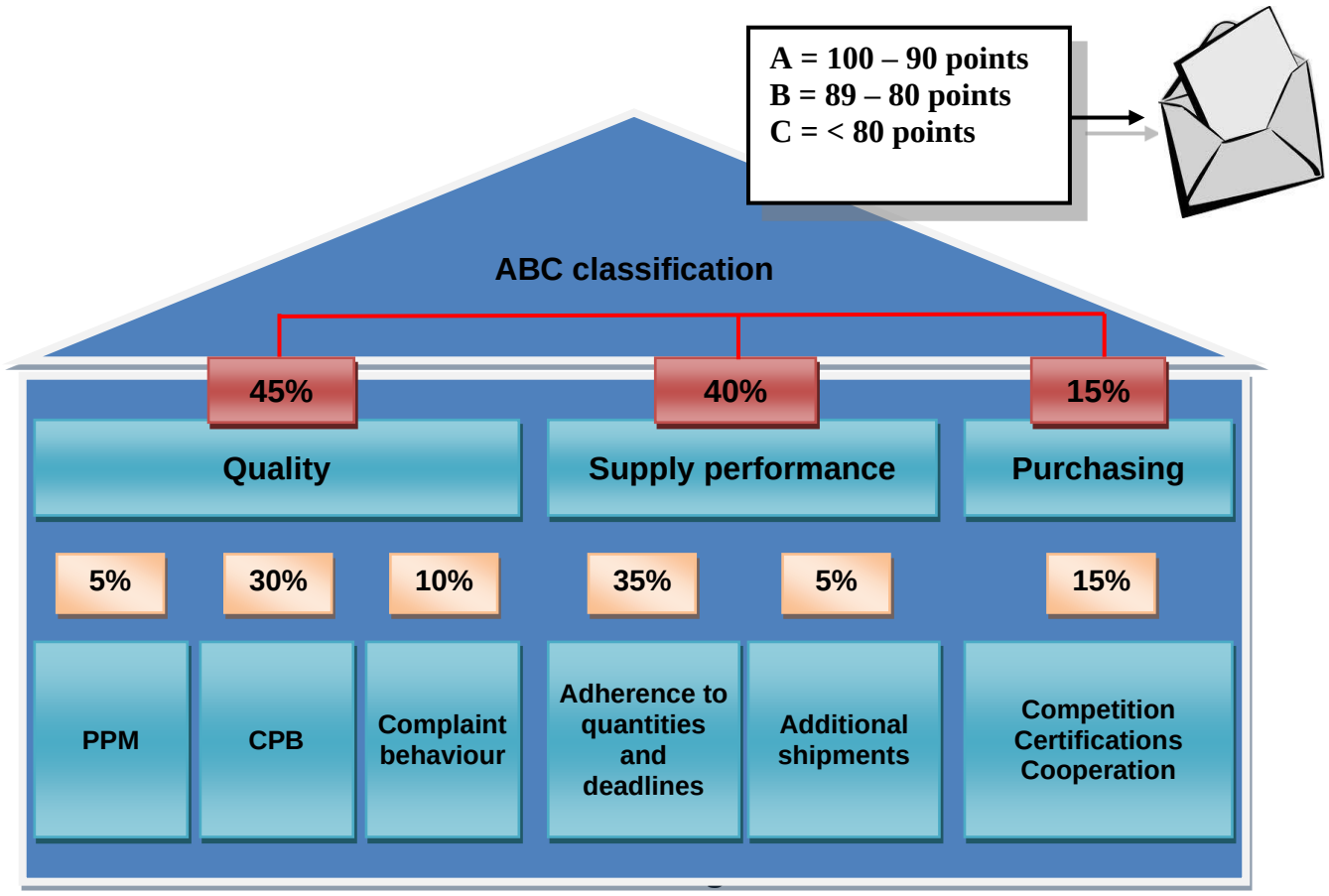
Satisfactory = 60 points

Unsatisfactory = 40 points

Insufficient = 1 point

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Overall score calculation



Classification

A-suppliers:

As an A-supplier you will be given preference when it comes to new projects and will therefore not have any deductions during tender comparisons. You have proved to be a reliable partner and work on maintaining and further improving your high-performance standard.

B-suppliers:

If you are assessed as a B-supplier, we believe that you have potential for improvement. As a B-supplier you will have deductions during tender comparisons. Where tender prices are the same as those of an A-supplier, preference will be given to the A-supplier when awarding the contract. To be able to discuss opportunities for improvement with you, you will fall under escalation level E1 (see escalation process).

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C-suppliers:

If you are assessed as a C-supplier, there are severe deficits between our and our customers' requirements and your rendered performance. There are no grounds for successful collaboration, and you will therefore be blocked for enquiries and new orders with immediate effect. You will be given the special status E2 in line with our escalation process.

Annex 2 – Other applicable customer standards and policies

The specific standards and policies of our customers in terms of quality and the environment are part of this Supplier Manual. If not at hand, the supplier must request those from voestalpine. The latest applicable versions apply. All customer demands including audits onsite is applicable.

A selection of some of our customers: