

Logistics Guideline for Automotive Suppliers

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1. Validity

This "Supply Chain Manual" forms part of the contractual agreement between BOA and their suppliers.

This guideline is valid for deliveries to BOA RBT plant unless otherwise specified. Contact information for our plants can be found at

<https://www.boagroup.com/about-boagroup/plants/>

The confirmation form for this guideline must be signed by the General Management of the supplier. By signing the confirmation form the supplier confirms that they have read and understood this guideline. Furthermore, the supplier confirms their acceptance and adherence to the rules in this agreement.

BOA will transmit this guideline to new suppliers before placing any order or quotation.

The most recent version of this document can be found at

<https://www.boagroup.com/de/downloads/>

2. Vision and Strategy

Supply chains have moved from a cost focus to a customer focus and in the future to a strategic focus.

Compliance with such a strategy can be the key of success not only for the BOA Group but also its partners and customers.

The main features of the continuous-flow supply chain model are supply and demand stability, with processes scheduled in such a way as to ensure a steady rhythm and continuous flow of information and products.

This model works best with small variations of customer demands. The production workload matches demand through a continuous-replenishment model based on a "make to stock" decoupling point. Production is scheduled to replenish predefined stock levels based on a specified reorder point for inventory in the production cycle.

Accordingly, competitive positioning is based on offering a continuous-replenishment system to customers in order to assure high service levels and low inventory levels at customers' facilities, thus achieving an optimization of costs associated with inventory.

To make successful this supply chain model, the following factors should be in place:

1. Using a prescheduled order cycle — issuing/receiving orders weekly, on the same day of the week - orders are dispatched based on a fixed lead time after order entry, independent of when an order is being received.
2. To avoid unexpected changes in the production schedule, levels of inventory are buffered at the supplier side, where necessary and up to a balanced level.
3. The production cycle should be scheduled in a logical sequence of part numbers, with the aim of reducing setup time between each pair of adjacent SKUs. Increasing the sequences will help to increase the manufacturing line's experience with each setup, reducing the amount of time it takes for changeovers and consequently, the length of the production cycle.

4. Collaborative efforts should be oriented toward specific customer requirements until the sub-sub-supplier pool. Supplier's capabilities must be communicated frankly and maintained periodically.
5. If demands vary irregularly, immediate reaction is needed to reduce the bullwhip effect and maintain the continuous supply at a maximum.

The key steps on following the strategy are:

- Start with customers' current and future needs
- Assess current supply chain capabilities relative to best in class
- Evaluate supply chain "megatrends"
- Analyze the competition
- Survey technology and integrate it in operations
- Deal with supply chain risk
- Develop new supply chain capability requirements and create a plan to get there
- Evaluate current supply chain organizational structure, people, and metrics
- Keep an eye on market, transport, packaging trends and in general on any adjacent markets that might cause disruptions in the supply chain.

3. Code of Conduct for Corporate Social Responsibility in Supply chain

All suppliers shall commit to implement and deploy a Code of Conduct for Corporate Social Responsibility geared towards universally held ethical values and principals, especially integrity, honesty, and respect of human dignity.

The purpose of this code must be the well-being and long-term development of a global society by bearing in mind the consequences of its business decisions and actions on economic, technological, social and environmental levels and bring out an appropriate balance of interests.

Furthermore, all suppliers of BOA receiving plant shall request from their own suppliers to implement and adhere a similar Code of Conduct in the supply chain and to conduct due diligence to understand the source of raw materials used in their products or to identify and eliminate raw materials that contribute to human rights abuses, bribery and ethics violations, or negatively impact the environment.

Core Values for Social Responsibility and Sustainability in Corporate Management:

- Adherence to Laws;
- Integrity and Organizational Governance;
- Consumer Interests;
- Product integrity
- **Communication**
- Human Rights and fair working conditions
 - Right to privacy;
 - Health and safety work environment;
 - Protection against harassment;
 - Protection and guarantee regarding freedom of conscience and freedom of expression;
- Working conditions
 - Prohibition of child labor;
 - Prohibition of forced or compulsory labor;
 - Fair wage compensation;

- Elimination of discrimination in respect of employment and occupation;
- Freedom of association and effective recognition of the right to collective bargaining
- **Non-Discrimination**
- Hours of work
- Environmental Protection
 - CBAM (Carbon Border Adjustment Mechanism) – adherence and compliance to the regulations implemented in this respect by the EU
- Fair relationship with suppliers and subcontractors
- Fair competition and anti-trust
- **Civic engagement**
- **Supply Chain**
- Conflicts of interest;
 - Usage prohibition of Russian origin steel or iron raw material acc. (EU Regulation 2023/1214)
- Whistleblowing and protection against retaliation;
- Anti-corruption and anti-money laundering
- Sustainability
 - GHG emissions, energy efficiency and implementation of renewable energy;
 - Water quality and consumption;
 - Air quality;
 - Sustainable resources management and waste reduction
 - Responsible chemical management
- Data protection and cybersecurity
- Tax and fiscal compliance

4. Introduction in General Terms and Conditions of Purchasing

The contractual relationships shall be governed by German law excluding conflict of law provisions and the UN Convention on Contracts for the International Sale of Goods (CISG). The contractual relationships shall be governed exclusively by our General Terms and Conditions to the extent nothing different has been agreed subsequently. Please find the current version at the address www.boagroup.com at

<https://www.boagroup.com/wp-content/uploads/2024/01/BOA-EMEA-TandC-Purchase-EN-September-2023-BOA-Group.pdf>

Compliance with those terms and conditions is a must and starts with any placed offer or order.

5. General Conditions

5.1 Communication

Clear and open communications between BOA receiving plant and the supplier forms the basis for an effective working relationship.

Important rules are:

- Timely communication of information by the supplier about **all** changes to delivery dates and other important issues
- The supplier nominates key contact people for logistics issues (name, phone number, e-mail address, fax number) and sends a complete list to BOA plants. The contact person (or their substitute) must be available from 9 a.m. to 5 p.m. (local time at the supplier). Furthermore, the supplier must provide out-of-office contact details

- BOA provides a list of key contact people. The supplier should contact the relevant BOA plant for this information

5.2 Delivery of Goods

In case of CIF, DDU, DDP or DAP deliveries: BOA shipments must arrive at BOA within the timeslot agreed with the supplier. The supplier must bear any costs for failure to respect agreed delivery slots.

Deliveries EXW/FCA for which BOA orders a forwarding agent to pick-up the goods: Suppliers make sure that material is staged on time at their location (considering the transport time BOA informed about).

EXW/FCA deliveries for which suppliers order transports at a forwarding agent chosen by BOA: Suppliers order transports at the forwarding agent and make sure that goods will arrive on time at BOA considering the average transit time BOA informs about. In general, suppliers agree to order transports in the name of BOA only if required.

5.3 Security of Supply

To the extent that no other individual agreement is made, the supplier will build up a safety stock for an average 2 week requirement at the latest by 2 months after initial sample release and after the initial first call has been effected according to the delivery schedule. The average weekly requirement is determined from the called quantities of the first 4 weeks of the call schedule and must be adapted accordingly if there are changes in the requirements. Deliveries from the safety stock must be done within two working days. There should be no deviation to the FIFO rule, meaning the safety batch must be permanently refreshed. BOA reserves the right to verify the safety stock at the supplier location at any time.

The supplier must provide yearly the proof of insurance established for the production facility and goods on stock.

5.4 Delivery Quantity and Time

5.4.1 Minimum Delivery Lot Size

The minimum delivery lot size cannot be equated with the possibly assured production lot size. In general, the minimum delivery lot size is the agreed packing unit. The required delivery quantity per delivery date is given in the call-off.

5.4.2 Delivery Time

Unless otherwise agreed, the delivery date and time given in the call-off is the time the delivery must arrive at BOA. If the supplier determines that they cannot meet the delivery date they must inform BOA immediately upon becoming aware of this situation. Unless otherwise agreed, the supplier must inform in writing the logistics department of the BOA plant that sent the call-off. Any costs resulting from missing or incomplete shipment will be charged to the supplier.

In case of early deliveries without prior agreement, BOA reserves the right to return the delivery to the supplier at their cost.

5.4.3 Announcement of Impending Production Downtime

In case of impending production downtime caused by an overdue or missed delivery, BOA sends a message to the supplier. The supplier must respond to the message immediately with information about the delivery date and time. All the related costs are on supplier side.

5.5 End of life

The supplier is early involved in the change process. In case of running changes or "phase-out" parts the supplier must communicate weekly the stock projection, 12 weeks prior the estimated change date.

The operational parameters (e.g. transport time, lead times, inventory levels, and packaging) for "phase-out" parts are reviewed and adjusted to avoid production over-runs and minimize the obsolescence risk.

5.6 Change of specifications

When changes are made, the supplier will mark with a yellow label the first 3 deliveries made under the new specifications. Mixing of the old and new specifications deliveries is not allowed on the same pallet or on the same delivery note, unless specifically agreed with BOA.

Prior to an effective change, both BOA and supplier can agree for service/spare parts to be built and kept on stock for an entire 15 years estimated volume. When requirements for current production ends, the main parameters are defined by formal protocol (lead time, minimum order quantity, packaging and logistics). As parts are moved from current production to service, purchase orders and other documents related to service/spare parts are yearly reviewed to ensure customer requirements are met. If necessary, the amendment of the agreed volume will be made. Formal Purchase Orders will be revised accordingly. The supplier shall have a process in place that ensures the service/spare parts are conserved in the appropriate warehousing condition to guarantee the properties of materials are maintained.

The supplier shall have a process in place that ensures the tooling and devices used to manufacture the service parts are conserved in appropriate warehousing condition to guarantee their properties are maintained and that they can be used for up to 15 years after switching from series production to service/spare parts.

6. Information Flow

6.1 Data transmission

BOA suppliers must become EDI capable. Unless otherwise agreed, the following information must be transmitted by EDI:

- Call-off (BOA to supplier)
- JIT release (BOA to supplier)
- Advanced Shipping Notification (supplier to BOA)
- Credit note (BOA to supplier)
- Receiving, Stock removal, Inventory information in case of having supplier consignment process in use (BOA to supplier)

The supplier is responsible for setting up their IT environment for data transfer. For communications please contact our IT department.

BOA requires the transmission of VDA message types (NAFTA: ANSI message types). The possible use of differing message types must be verified with our IT. The supplier must process and respond to transmitted data without delay. BOA reserves the right to implement an internet-based communication system (web EDI) for communication purposes.

6.1.1 Call-Off, VDA: 4905 / ANSI

BOA sends call-offs to the supplier by EDI. Where no EDI capabilities installed between BOA and supplier, call-offs will be sent by email.

6.1.2 JIT Release, VDA: 4915 / ANSI

BOA reserves the right to implement a Kanban or JIT procedure for appropriate materials. In the event of this procedure, the transmission of JIT releases will be by EDI. Where no EDI capabilities installed between BOA and supplier, call-offs will be sent by email.

6.1.3 Advanced Shipping Notification (ASN), VDA: 4913 / ANSI

Deliveries to BOA: BOA requires notification of shipments by EDI before the consignment arrives at BOA (transmission of an ASN). This is required for all shipments irrespective of the mode of transport and the agreed delivery conditions. Where no EDI capabilities installed between BOA and supplier, notification of shipments will be sent by email before the consignment arrives at BOA.

Supplier Consignment Process: BOA transmits following information to suppliers by EDI VDA 4913, for goods receipt information, stock removal information, inventory information.

According message types for the consignment process with our non-European locations will be communicated with suppliers separately.

6.1.4 Credit Note, VDA: 4908 / ANSI

The supplier doesn't send an invoice to BOA. BOA transmits credit notes by EDI or email based on the posted goods receipt. The supplier checks the transmitted data and informs BOA in the event of any discrepancies.

7. Supply Strategies

7.1 Delivery According to Call-Off (VDA 4905 / ANSI)

The delivery must be according to the BOA call-off, unless otherwise agreed. The new transmitted call-off replaces the previous one and is the basis for the next delivery. The frozen period is established together with BOA receiving plant.

7.2 Delivery According to JIT Releases

For adequate materials, the fine-tuning of deliveries is done by a Kanban system or JIT process. In this case the basis for the delivery is the JIT release and not the regular call-off. The call-off (VDA 4905 – ANSI) can be used for material and production planning by the supplier.

For detailed agreements on handling, documents and data transmission the supplier must contact the local BOA logistics management.

7.3 Supplier Consignment Process / Vendor Managed Inventory

To reduce transport and warehousing costs and to secure the supply to our plants, BOA reserves the right to implement a Supplier Consignment Process. Basic characteristics of this concept are:

- The supplier is the owner of the goods until called-off by BOA from warehouse to production
- The supplier receives information about stock levels and stock movements.

BOA reserves the right to change this process later to a Vendor Managed Inventory process. Basic characteristics of this concept are:

- The supplier guarantees maintenance of a stock level within agreed minimum and maximum levels
- The suppliers receive information about stock levels and stock movements.

For detailed agreements for handling, documents and data transmission the supplier must contact the local BOA logistics management.

7.4 Evaluation Criteria's and Objectives

The supplier is evaluated constantly during the year and the yearly evaluation results are published once per year, up to the month of April of the following year.

The objectives are published every December for the next year performance.

Green: Overall results are over 90%

Yellow: Overall results are between 89.9% and 75%

Red: Overall results are 74.9% or less

If a supplier cannot achieve the yellow target, it will be placed on a “new business on hold” status and BOA will require an action plan in order to improve its performance

7.4.1 Evaluation criteria

Product Quality

- PPM
- PPAP valuation
- Number of Claims
- 8D Report reaction time

Customer Disruption:

- Yard Holds and stop ships

Purchasing:

- Service
- Flexibility

Expedite Freights:

- Expedite Freights

Delivery Performance:

- Delivery Date reliability
- Quantity Reliability

Certificates:

- ISO9001
- IATF 16949
- ISO 14001 (recommended)
- TISAX (ISO 27001) (recommended)

Down Graduation:

- Field Claims or recall
- Customer special status due to delivery issues
- Special Customer status due to quality issues
- Degrading of delivered quality

7.4.2 Objectives

Main objective for each supplier is to achieve IATF16949 certification. Therefore, all suppliers that are delivering from plants that are only ISO 9001 certified are requested to submit a plan regarding IATF certification (requested by SI ver.26 IATF16949 8.4.2.3).

In December of every year BOA will establish the objectives of each supplier objectives for the next year.

The objectives will be mainly in terms of:

- Audit results / Corrective Actions Status
- Target PPM
- Target Delivery Performance
- Certificates

8. Packaging

8.1 General Requirements

Within centralized areas, BOA has a common standardized packaging concept. The target for all plants is material staging of all parts to the lines in the receiving packaging. Delivery in small load containers is a precondition to meet this target. Exceptions to this are generally for voluminous parts and must be agreed with the local logistics management of the receiving plant in writing, prior to first shipment.

The maximum gross weight of a bin/container is:

- Large container: 600 kg
- Small load containers (including cardboard as one-way packaging): 15 kg

Maximum pallet height is 1220 mm

General requirements irrespective of the kind of packaging:

- Undamaged packaging only
- Optimal usage of volume
- Transportation lock. The supplier must ensure that the goods arrive at the destination without any damage (protection against corrosion, scratches etc.).
- Stackability
- Adherence to agreed packaging type (BOA reserves the right to repack parts at the supplier's expense)
- Unless otherwise agreed, the mix of different supplier batches and material numbers on one pallet is not allowed. Nonstandard agreements must be made with the logistics management of the receiving BOA plant in writing.
- Different supplier batch numbers within the smallest packaging unit (e.g. small box) are not allowed. This is a requirement for both partners to be able to have traceability on products in the event of a claim.

8.2 Packaging Planning

The described procedure is valid for all new parts. Changes in packaging for serial parts will be agreed between the supplier and BOA prior to first shipment of the serial parts.

BOA approves the desired packaging type in the RFQ. As soon as enough parts are available for a packaging test at the supplier, the supplier will do this test free of charge. Target is optimal volume utilization considering the maximum weight and size. The supplier sends a completed Packaging Approval Form for each article to BOA (see 7.7). The agreed packaging is part of the contract.

The supplier is responsible for the use of the agreed packaging.

8.3 Returnable Packaging/One-Way Packaging

In principle, the use of returnable containers is preferred. Cardboard is only used when returnable containers are not economical. If the containers are on BOA property, BOA will assure enough containers in the loop for regular deliveries. BOA containers are used exclusively for packing the goods designated for delivery. The stock of components at supplier side will not be kept in BOA packaging. In case of returnable containers shortage, the alternative approved packaging must be used. If the supplier provides evidence that not enough containers were available on site to cover the shipment, the cost of alternative packaging can be claimed to BOA.

The general requirements (item 7.1) are valid for one-way packaging as well. The one-way packaging must meet the requirements of the material flow and the bins must be protected on pallets.

8.4 Sea Freight Packaging

The supplier is responsible for ensuring that the sea freight packaging used meets the legal requirements of the country of destination.

8.5 Reconciliation of Returnable Packaging Accounts

A monthly reconciliation of returnable packaging accounts is done by BOA and the supplier. BOA sends the monthly statement to the supplier for verification. If the supplier does not disagree with the statement of account within 5 working days from the date of issue, the BOA statement of account is accepted. The reconciliation is done by each BOA site.

In case of discrepancies, not later than 30 days from the moment of discrepancy claimed, the supplier must prove the difference with copy of shipping documents otherwise the costs of lost packaging remain on supplier side. As well, the supplier must replace the missing quantity to assure the total agreed number of containers in the loop.

8.6 Return of Empty Packaging

Based on agreed Incoterms, the return of empties are on the same cost side as for goods movement. This means, if CIF, DDU, DDP or DAP BOA is the agreed delivery condition, the supplier pays the costs for the return of packaging to their location.

8.7 Packaging Approval Process

For all new articles, suppliers fill in and submit the BOA Packaging Approval Sheet completely. This data sheet is part of the contractual agreement.

For each material, the Packaging Approval Sheet must be completed for standard packaging and alternative packaging. A test shipment is allowed prior to sign-off of the form, only if previously agreed with the local BOA logistics management.

9. Labelling and Shipping Documents

9.1 Labelling

Each single bin/box/container must be labelled with a label according to the actual versions of VDA 4902 The label must be attached to the outside of the bin/box/container and must be readable by human and scanner. Parts of the tie-down must not cover the label. Each small load container (e.g. tote, small cardboard box) must be labelled separately.

The entire pallet must be labelled with one label containing the information for the entire pallet including delivery note number, shipping date and quantity per pallet.

It is not permitted to stick the label on returnable packaging. For deliveries in small load containers, the label must be placed in the label holder on the outside.

9.2 Shipping Documents and Batch Information

The following shipping documents are required for deliveries from the EU to BOA receiving plant:

- Waybill VDA 4922 and additional the CMR
- Goods issue slip VDA 4912
- Other Delivery Notes are accepted by exception if agreed with BOA local logistics department
- Quality Certificates (Material Certificate, 3.1 Certificate)

Separate shipping documents are required for different offloading points.

The following information is required on the goods issue slip and in the transmitted Advanced Shipping Notification:

- Supplier, place of dispatch, supplier number
- Complete BOA part number
- Quantity per material number
- Quantity per loading unit
- Number of loading units per material number
- Packaging, BOA ID no. for returnable packaging
- Scheduling Agreement or Purchase Order number
- Supplier batch number

Additional, necessary shipping documents for deliveries to our non-European plants and from non-EU countries to our European plants depend on the region from where the shipment is sent. Therefore suppliers will be informed separately, but in any case, the above-mentioned documents must be available.

Goods issue slip and container labels must have a unique number and identical batch information (maximum 15 digits). The supplier must ensure traceability by this characteristic.

9.3 Export and Customs Documents

The supplier is responsible for the correct and complete creation of the export and customs documents. Furthermore, they are responsible for indicating the correct customs tariff number (TARIC) of the receiving country on all documents.

This tariff code must correspond with the one the supplier indicates on the supplier's declaration/statement.

Delays and costs caused by incomplete or incorrect export and/or customs documents are to be met by the supplier.

When the goods are moved between countries where the customs regulations provide preferential agreements (no duty paid), the supplier must comply with the most efficient documents (EUR1, Shipper Declaration, etc.).

For overseas shipments, the supplier is in charge for correctness and accuracy of the additional shipping documents according with the maritime line regulations.

10. Costs for Nonconformity to These Regulations

In the event of breach of the rules of this guideline, BOA reserves the right to charge the following amounts to the suppliers. These amounts cover the costs BOA incurs for undertaking corrective actions:

- Incomplete or incorrect labelling: €100 per material number and delivery
- Incomplete or missing quality certificates: €150 per material number and delivery
- Missing batch information per material item on delivery note/goods issue slip/packing list: €50 per material number and delivery
- Non identical batch information on label and delivery note/goods issue slip/packing list: €50 per material number and delivery
- Missing or wrong information in transmitted Advanced Shipping Notification: €50 per transmission
- Repacking in the event of delivery in packaging that was damaged or not agreed: €10 per package
- Costs caused by late deliveries: €50 per pallet for each 24h if no other shortage appears. In case of production downtime caused by an overdue or missed delivery, all the related costs are on supplier side.
- Costs caused by early deliveries: €5 per pallet for each 24h
- Penalties for quarantined materials that are not picked up by the supplier after 30 days - €50 per pallet / month.

BOA reserves the right to charge further breaches of the rules with prior notice of 90 days.

In case of quality claims BOA reserves the right to charge €150 amount to supplier, for each claim. This amount covers the costs of BOA for: additional handling, quarantining, additional labeling, time for product auditor to provide information to make the claim, time for processing the claim, time spent by quality engineer to manage the claim until the closure of 8D Report.

11. Supplier Integrated (Quality) System Requirements

Suppliers should adopt a Zero-defect strategy and create the proper mindset in order to reach this goal.

For suppliers that are delivering automotive components / parts, ISO 9001 certification is a minimum requirement.

11.1 Process regarding claims management

Incorrect labelling, incorrect packaging or quality defects will result in rejection of the parts.

Once identified, defect parts are quarantined and receive a claim number with main details: the description of the problem; when, where and who discovered the defect parts; the quantity, part and supplier details.

Upon confirmation of defect parts rejection by QA, the local BOA logistics team must replenish the inventory.

This additional requirement may be shown on the next daily order, or if one or more order lots are rejected, the local BOA logistics team may need to replace them with an emergency Call-Off. If an emergency demand is raised, special transport may be required to facilitate fast recovery. If the defect concern is sourced at the supplier, the supplier is responsible for special transport costs. Please ensure that, if you have any concerns with the recovery of this additional parts quantity, you discuss them with the local BOA logistics team.

11.2 Supplier claims reaction

Rejects caused by a supplier concern will require some containment and countermeasure activity from the supplier. This containment and countermeasure activity is normally facilitated by BOA Quality.

However, for mislabeled or mixed parts rejects, containment and countermeasure activity is facilitated by your team.

Dependent on the concern, containment and countermeasure activity, rejects will either be

- Held at BOA for supplier collection – maximum 30 days without storage penalties
- Or returned to the supplier – Parts are to be picked up by the supplier.

11.3 Supplier Non-Disclosure Agreement (NDA)

For the protection of both parties, suppliers to BOA plants need to have a signed Non-Disclosure Agreement (NDA) on file at BOA plants prior to engaging in any business activities.

<https://www.boagroup.com/de/downloads/> - then check the documents for the relevant plant

11.4 Re-qualifications

On request of BOA plants, the supplier must submit the yearly requalification for a specific part number, as requested by BOA plant Quality department.

11.5 Control of BOA – Supplied Product or Tooling

The supplier shall obtain approval prior to scrapping or disposing of any BOA or BOA Customer owned or supplied product (parts, returnable containers, tooling, fixtures, etc.).

BOA owned tooling and fixtures must be permanently identified as “Property of BOA” and include the BOA product part number(s) made by the tooling as well as BOA asset number (this should be provided by the BOA plant that owns the respective tool/fixture).

BOA owned tooling and fixtures may be used only for BOA products.

Any tooling owned by a BOA customer must be marked based on that customer’s specific marking instructions provided. Exceptions to tool marking can be requested if proper marking of the tool is not practical due to the size or design of the tool or the way it is used. Regardless of this, the user of the tool must take appropriate measures so that the tool and tool owner are clearly identifiable.

Receipt of a Tooling Data Sheet and PPAP approval will be required in order to release payment for tooling. The Tooling Data Sheet must include as a minimum:

- Photograph of the tooling and tag / marking
- BOA Component Part Number(s) Produced by the Tool
- Tooling Owner’s Name

11.6 Counterfeit Parts Prevention

BOA is committed to supplying its customers with parts of the utmost quality and reliability. Suppliers to BOA shall plan, implement and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in any products delivered. Counterfeit parts are defined as a suspect part that is an illegal copy or substitute, or one whose material, performance, or characteristics are knowingly misrepresented by a supplier in the supply chain. Suppliers must quarantine and report to BOA any suspect or detected counterfeit parts.

11.7 Right of Access

Upon prior notification, suppliers shall allow timely access for BOA, its customers at any level of the supply chain, and any regulatory authorities to the applicable areas of supplier and sub-supplier facilities to determine, audit and/or verify the quality of contracted work, records or material.

11.8 Supplier Request for Deviation

A supplier shall not knowingly ship product that deviates from the drawing, specification limits, or design intent without prior written authorization from BOA Engineering. In the event a discrepancy is identified prior to shipment of product, the supplier may request a deviation if the supplier feels it does not affect form, fit or durability.

The supplier shall submit to BOA Quality a request for engineering change or manufacturing deviation for a specific quantity and/or period. BOA Quality will be responsible for obtaining internal approvals. If the deviation is accepted, the supplier shall properly identify the material containers on the shipping label placed outside of the container. Tracking of the quantity shipped or the expiration date shall be the responsibility of the supplier.

BOA approval of a deviation is specific to the products for which it has been submitted and approved and shall not be construed as a permanent engineering change.

11.9 Environmental Policy

BOA is committed to the engineering and production of metal flex hoses and other systems for automotive and industrial applications while satisfying its customers, protecting the environment and conserving natural resources.

Therefore, BOA will conduct its operations in accordance with the following principles:

- We will comply with applicable environmental laws, as well as BOA internal policies, and will meet voluntary environmental commitments made to regulatory authorities or the public.
- We will implement and continually improve an environmental management system to control and monitor the environmental impacts of our operations-
- We will implement methods to prevent pollution, conserve natural resources and reduce waste.

BOA strongly urges our supply base to work towards implementing similar environmental management practices at their facilities in order to protect our environment and reduce waste.

11.10 Information Security Policy

BOA will be required to implement an Information Security Management System based on TISAX (ISO 27001) standard. BOA will be mindful of the approaches adopted by its stakeholders, and all interested parties. As member of European Union, Romania is bound to respect GDPR (General Data Protection Regulation) as the European Data Protection Regulation is applicable as of May 25th, 2018 in all member states to harmonize data privacy laws across Europe.

Information that's collected, analysed, stored, communicated and reported upon may be subject to theft, misuse, loss and corruption. Information may be put at risk by poor education and training, and the breach of security controls. This is to provide the high-level outline of, and justification for, BOA RBT's risk-based information security controls.

BOA's security objectives are that:

- our information risks are identified, managed and treated according to an agreed risk tolerance
- our authorised users can securely access and share information in order to perform their roles
- our physical, procedural and technical controls balance user experience and security
- our contractual and legal obligations relating to information security are met
- our teaching, development and administrative activity considers information security
- individuals accessing our information are aware of their information security responsibilities
- incidents affecting our information assets are resolved and learnt from to improve our controls

BOA strongly urges our supply base to mandatory respect GDPR and work towards implementing similar information security management practices at their facilities in order to protect our customer and suppliers' assets / know how.

CISO: +40 799 099 750

The Information Security Policy can be found at

<https://www.boagroup.com/de/downloads/>

11.11 Legal requirements

The supplier will ensure compliance with relevant legal requirements imposed for the BOA receiving plant, such as, but not limited to Carbon Border Adjustment Mechanism (CBAM), e-transport, etc.

BOA receiving plant will make every effort to guide and ensure that the supplier succeeds in implementing and complying with the relevant regulations in force imposed by the local authorities, thus ensuring that legal requirements are met throughout the entire supply chain.

12. Enclosure available on request

12.1 Samples

- 12.1.1 Sample VDA Label for Large Containers and Pallets
- 12.1.2 Sample VDA Label for Small Load Containers
- 12.1.3 Sample Packaging Approval Sheet
- 12.1.4 Sample Shipping Documents

12.2 Annexes

- 12.2.1 Annex1: Information Security Policy
- 12.2.2 Annex2: Packaging Approval Sheet: CP3_043 - Packaging Approval Sheet
- 12.2.3 Annex3: Contact Information's Form
- 12.2.4 Annex4: General Terms - MOQ, Safety Stock, Lead Time, forecast period, Loading/Unloading timeslot and transit time etc.
- 12.2.5 Annex5: Number of returnable containers in the loop
- 12.2.6 Annex6: Supplier Capacity Form: CP3_065 - Supplier Capacity Form
- 12.2.7 Annex7: Change Advisory Label
- 12.3.8 Annex8: Service/spare parts agreement

12.3 Confirmation Form Logistics Guideline

Agreement between:

Customer:
BOA RBT SRL.

Supplier: (to be completed by supplier)

.....

The supplier confirms having read and understood the “Supply Chain Manual“ of BOA RBT and confirms their acceptance and compliance of those rules.

Signature Supplier:

Name of Signatory:

Function of Signatory:.....

Place:

Date:.....

- Highlights in yellow are the changes from the latest version