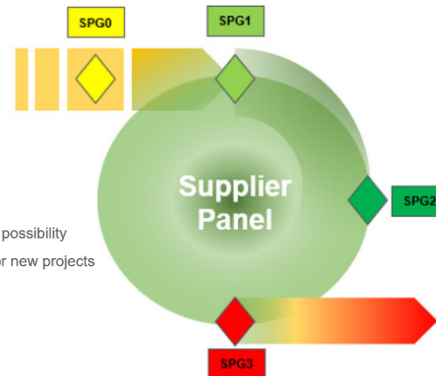


Quality is a crucial aspect of the supply chain in our business. Ensuring that all components of the supply chain meet a certain level of quality results in increased customer satisfaction, repeat business, and a positive reputation for BMTS and their suppliers.

To maintain quality in the supply chain, BMTS has its dedicated supplier selection process (sourcing process) where suppliers are categorized in SPG Levels (**S**upplier **P**anel **G**ate). Each SPG Level results from achieving certain requirements, whereof the base requirement (SPG0) is a signed non-disclosure agreement and a certification according to ISO 9001. To gain a higher SPG Level and thus better chances to be involved in new projects of BMTS, we expect our suppliers to be also certified according to IATF 16949, ISO 14001 and ISO 45001.



Supplier Panel Gates:

- SPG0** ... Supplier under investigation
- SPG1** ... Supplier in test phase, 2nd source possibility
- SPG2** ... Serial Supplier, ready to source for new projects
- SPG3** ... Phase out supplier

Communication between suppliers and BMTS should be clear and consistent to prevent misunderstandings that could impact quality. To ensure this, contracts on quality (**Quality Assurance Guideline "QAG"**), the framework agreement and logistics (Logistic guideline) are agreed when a supplier is potentially joining our supply chain.

Requirement	Kind of assessment	SPG 0	SPG 1	SPG 2	SPG 3
Valid signed confidentiality agreement / NDA	General	X	X	X	
Valid certification acc. to ISO 9001:2015	Quality	X			
Valid certification acc. to IATF 16949	Quality		X	X	
Valid certification acc. to ISO 45001 and ISO 14001	HSE			X	
Euler Hermes risk assessment at least CCC or positive financial assessment	Finance		X	X	
VDA 6.3 potential analysis (part specific) (P1) Result: at least "controlled supplier" (yellow) incl. action list	Quality		X	X	
Signed contracts / Terms & Conditions	General		X	X	
Supplier at least already implemented in second source	General			X	
risk-assessment and risk-based decision, if SPG1 must be skipped (e.g. no implementation to second source is possible) (SPG Change sheet)	Strategic			X*	
Strategic decision (e.g. continuous negative performance in Supplier Scorecard)	Strategic				X
Supplier insolvency	Financial				X
Non-compliance/ termination of contracts and/or commitments	General				X

BMTS TECHNOLOGY General Information - APQP E4_TP11 V1.0

Preamble

The APQP file will be used in the pre-production phase to create the framework conditions for the on-time and proper processing of the project milestones.

The TSD has to be updated regularly during the ongoing project and open points in the different project phases must be tracked and finished.

Project specific information:

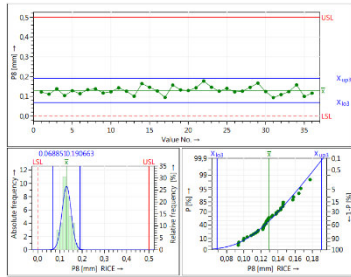
Project:
 Part designation:
 Material number:
 Drawing:
 Version:

Supplier data:

Company name:
 Supplier number:
 Location:
 Country:
 D-U-N-S code:

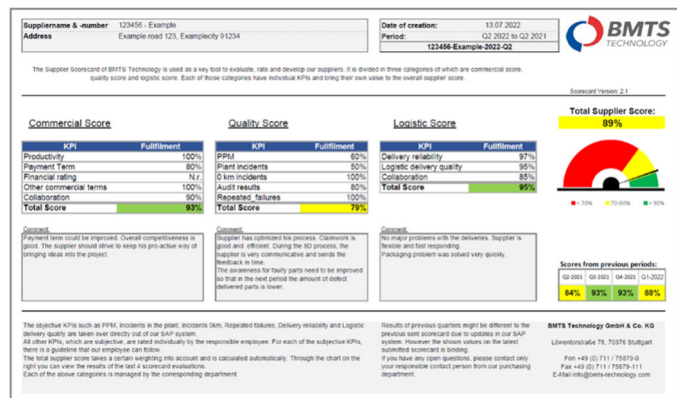
Implementing quality control measures at different stages of the supply chain process can help to identify and rectify problems before they reach the end customer. BMTS requires from their suppliers several automotive standard processes and methods to monitor and obtain a safe ramp up. Own templates, procedures and supporting softwares are used in order to fulfill automotive standards. In each stage of the ramp up, we support our suppliers according to our "Ramp up Guide for purchased parts" which describes the process starting from early APQP phase, towards product and process approval (PPF & PPAP) until requalification of the agreed quality. During the release of the product and process, audits are conducted where the supplier must demonstrate their capabilities in their quality management and the conformity of the products within the agreed capacity and quality (**Process Approval Audit "PAA"**).

The whole ramp up process must be monitored with appropriate quality controls such as agreed capability studies (Cpk, Cmk, Cgk, GRR, etc.). Continual monitoring ensures that the process is under control, while identification of trends and patterns helps identify areas that need improvement.



In case of deviations or claims, our suppliers must follow the guidelines set by the 8D problem-solving method. By taking over the experience within the process and product, suppliers must apply lessons learned techniques to recognize and minimize risks of failures which are considered in the FMEA.

Additionally, BMTS works with suppliers to continuously improve their processes and products. This can lead to increased efficiency, lower costs, and improved quality. To monitor the supplier performance, we are using our "Supplier Scorecard" on all active suppliers, which gives us a performance overview in relation to our defined KPIs considering commercial, quality and logistic aspects.



Our **Supplier Risk Management (SRiM)** is a systematic process for assessing, controlling and monitoring the risks associated with the quality of the product and their boundaries at the suppliers site. By identifying potential risks, we strive to reduce any chance for negative impacts on our products and pursue a zero defect rate.

In conclusion, quality in the supply chain is a critical aspect of successful business operations. By implementing quality control measures, regularly auditing suppliers, and working towards continuous improvement, suppliers can ensure that the materials and products they produce meet established standards which results in high quality products and overall satisfaction towards customers.

BMTS Technology GmbH & Co. KG

Löwentorstraße 78, 70376 Stuttgart

Fon +49 (0) 711 / 75879-0
 Fax +49 (0) 711 / 75879-111
 E-Mail info@bmts-technology.com