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Supplier manual

V7.00

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Revision index

Index	Chapter	Amendment	Date	Amender
V1		First issue	10.12.2002	
V4		Revised version	01.10.2010	
V5	general information general information general information Confirm. 3.8 6.11	Revision index added; Cover sheet added TAKATA-PETRI replaced with TAKATA Confirmation letter added Corrected status of standard: TS16949:2009 and DIN EN ISO 9001:2008 Twice-yearly supplier evaluation changed to monthly supplier evaluation - text updated	28.02.2012	
V5.01	general information general information Abbreviation Sources 2.1 2.3 2 3.3 3.3ff 3.3.3 3.3.5 3.3.6 3.3.7 3.3.7 3.5 3.11 4 4.2 5 5 5.10 6.3 6.11 10	Formatting fully reworked Chapter numbers now start at "General purchasing guidelines" (was Chapter 2). List of abbreviations extended Sources / templates updated Occupational health and safety management system added Exclusion of unlisted suppliers for series supply S&E added Engineering added as a separate chapter, was subchapter of 4.2 - Approval documents Compliance changes added legal regulations added MDS added as a separate chapter 3.3.8, Explosive substances Pyrotechnic objects for automotive applications added Conflict-zone minerals added was in chapter 3.3.5 respectively chapter 4.2.5 in older version longer retention period added by lawmakers Controlled Shipping Level structured as separate subchapters was formerly Chapter 5, "Supply Contracts." transferred from former chapter 2.4 was formerly Chapter 11 "Logistics." ALM graphic revised Supplier declaration added was formerly Chapter 9 "Documentation of quality-relevant documents". CE acceptance relevance added Cost analysis added	19.02.2014	
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V5.10	div.	Modifications to use also for service providers	24.05.2017
	12.2	Minimum wage, contractors, labour leasing added	24.05.2017
	12.3	Sanctions list added	01.06.2017
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	2.1, 7	IATF 16949:2016 added	27.06.2017
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	1.2	Text revised	22.10.2018
	1.5	"Gratuities and gifts" Moved to chapter 13.1.3	22.10.2018
	2.1	"Management systems" harmonised with AEB (General Terms and Conditions of Purchase)	22.10.2018
	2.1.2, 7	ISO 45001 added	22.10.2018
	2.1.3	Reasons for audit added	02.01.2019
	2.1.5	Omitted since it is integrated in chapter 3.4	02.01.2019
	3.1	"Purchasing" omitted; documents + text adapted for NPP	22.10.2018
	3.2.2	Documentation added	29.07.2019
	3.3	"Tools" harmonised with AEB	22.10.2018
	3.5, 3.6	Control plan replaced with production control plan	02.01.2019
	3.7	Textual revision	02.01.2019
	3.8	Audit formats added	02.01.2019
	3.9	Limiting sample labels defined in more detail	02.01.2019
	3.10	Escalation of BER added, text revised	25.02.2019
	3.11	reworked	25.02.2019
	5	Chapter 5 completely revised	19.11.2018
	6.1	"Goods inwards inspection, ..." omitted, since it is incorporated in AEB	22.10.2018
	6.4	Reaction times + 8-D described in more detail	02.01.2019
	6.7, 6.9	Technical modifications Chap. 6.9 integrated in 6.7	02.01.2019
	6.8	Description added	02.01.2019
	6.8.3	"Special Processes" added	02.01.2019
	6.9.1, 6.9.2	Text added, SRS added	02.01.2019
	10	"Competitive production base" added	22.10.2018
	13	Re-organised and harmonised with JSS Ethics Code	22.10.2018
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Preface

JOYSON is one of the world's leading manufacturers of automotive occupant protection systems.

The primary focus of our thoughts and actions is the individual. Integrity is an important part of all our actions at JOYSON. We also owe the success of our company to our deeply rooted corporate culture, in which ethics and integrity are very important and which strengthens relationships with our customers, employees, suppliers - for supplies and other services. We therefore expect our suppliers to conduct their business ethically, with respect, decency and dignity, and to comply with applicable laws, regulations and guidelines.

We are committed to the safety and feeling of security in the vehicles of our globally operating customers and want to fully meet their requirements in terms of quality, environment, energy, safety, service, healthiness, cost efficiency and sustainability.

This can only be achieved through the consistent application of proven and new methods to ensure quality and processes.

Quality management is a task, which can only be implemented successfully, if it is fully understood and practiced by committed and qualified employees.

Our mission statement and that our suppliers must be: **QUALITY FIRST**.

In order to fulfil and secure these high requirements, we assume that you as our supplier have effective quality, occupational health and safety, environmental and energy management systems in place and regularly confirm the proper functioning of your systems with appropriate documented evidence.

Our automotive customers demand continuous quality improvement and oblige us to adhere to the "ZERO DEFECTS OBJECTIVE". This goal is equally applicable for our supplier partners.

This supplier manual is intended to serve as a guideline for the cooperation between JOYSON and our suppliers. Our common goal is to deliver the highest quality products and services through innovative technologies at the lowest possible prices while taking localisation effects into account.

Apart from economic success, compliance with environmental and sustainability standards contributes to this. We are convinced that sustainability is the key to long-term successful corporate development. For this reason, we have set ourselves the goal of working together with our suppliers to meet our economic, ecological and social responsibilities and to handle the resources entrusted to us responsibly.

In order to overcome these challenges together, we expect continuous cost optimisation programmes, readiness for joint development with corresponding product yield - taking into account the aforementioned standards - and a high degree of flexibility for supplying our production plants at each location.

This supplier manual contains principles and processes designed to improve communication and ensure and strengthen the cooperative partnership.

1. General purchasing guidelines

1.1. Scope of application of the supplier manual, order of precedence

This supplier manual is an integral part of the contracts between JOYSON and the Supplier, even if it is no longer expressly referred to in the individual order.

In addition to this manual and the other regulations and documents mentioned and referred to herein, the General Terms and Conditions of Purchase (hereinafter referred to as T&C) of the respective companies of the Joyson Safety Systems Group (hereinafter referred to as JOYSON) or the framework agreement concluded between the companies shall apply.

In the event of contradictions to other agreements, the following order of precedence shall apply, if any:

1. Product- or order-specific agreements between the parties, in the form of individual contracts and call-offs for instance
2. Framework agreements between the parties, such as framework agreements
3. This supplier manual
4. The packaging manual
5. The T&C of the respective JOYSON company

The provisions of this supplier manual also apply to JOYSON companies located in the EMEA region (Europe, the Middle East and Africa).

This manual may not be distributed to third parties without the explicit written consent of JOYSON.

In the event of any differences or contradictions between the German and English versions, the German version of the supplier manual shall be binding.

1.2. T&C and other documents, supplier portal and updates

The latest versions of our T&C can be found on our website at www.purchasing.eu.joysonsafety.com. This also contains a link to the JOYSON supplier portal, that can also be visited directly at www.supplierportal.eu.joysonsafety.com. This supplier portal contains JOYSON standards and other important documents (hereinafter referred to as "Supplier Portal").

Approved suppliers are granted access to the Supplier Portal by JOYSON. The supplier is obligated to obtain information regularly, at least once per quarter in the calendar year, on the Supplier Portal about any new or updated JOYSON standards or other new or updated documents and information. The supplier shall download the latest versions from the Supplier Portal after having seen them or been informed of the changes, whichever comes first. Information regarding changes is sent to the supplier on the contact address stored in the Supplier Portal via e-mail. Changes shall be deemed accepted, if the supplier does not object in writing within a period of fourteen (14) days. JOYSON shall specifically inform the supplier of this at the commencement of the term. The supplier shall request JOYSON to provide JOYSON with standards and other documents and information from JOYSON of which the supplier is aware but which are not in his possession and which cannot be accessed via the Supplier Portal.

1.3. Cooperation with the JOYSON Purchasing Department

In order to achieve common goals and in order to achieve optimal efficiency, transparency and coordination, the supplier undertakes to cooperate exclusively with JOYSON's Purchasing department in all commercial matters.

Supplier selection is carried out by JOYSON's Purchasing department in close cooperation with the Development, Quality Assurance, Logistics and Production and Health, Safety & Environment departments.

In order to ensure a constant communication, the supplier is obligated to nominate responsible contact persons for the sectors of management, sales, logistics, environmental protection, safety and quality assurance - at several production sites for each of these locations. As far as possible, these persons should also be available at all times beyond normal operating hours.

2. Supplier selection and qualification

2.1. Quality and documentation: Requirements for management systems, audit, access rights

2.1.1. Safety regulations

For his deliveries, the supplier must adhere to the recognised rules of science and technology, the safety regulations, any separately agreed quality assurance agreements and the agreed technical data. JOYSON shall be notified in writing as early as possible and as timely as possible, at least six (6) weeks in advance, of any changes to the contractual products, the production process and the relocation of production, for instance to another location, so that JOYSON can assess any consequences and, if necessary, cover the demand elsewhere. If the contractual product is influenced by the supplier, JOYSON's prior written consent shall be required.

2.1.2. Management Systems

The supplier shall use and renew a documented quality assurance system which is suitable in type and scope and which corresponds to the latest state of the art. The supplier shall in particular be certified pursuant to IATF 16949:2016 at the beginning and during delivery to JOYSON.

In the absence of such certification, a certification pursuant to DIN EN ISO 9001:2015, VDA volume 6.1 or a special qualification by JOYSON may also be accepted in exceptional cases. In addition, it is assumed that the supplier has established an environmental and / or energy management system pursuant to ISO 14001:2015/EMAS or ISO 50001.

Suppliers, who do assembly processes as subcontractor for JOYSON (toll manufacturers), must be certified pursuant to occupational safety management system acc. ISO 45001/OHSAS 18001.

Service providers who perform calibrations must be certified pursuant to DIN EN ISO/IEC 17025:2005 (DAKks¹- accreditation body).

Suppliers who develop and deliver software for embedded systems must be ISO/IEC 15504-5 (SPICE²) certified.

2.1.3. Audits

JOYSON reserves the right to carry out or have carried out a system, process and / or product audit at the supplier's premises after notification during normal business hours in order to be convinced of the effectiveness of the management systems maintained by the supplier, possibly via a local representative.

The performance of an audit by JOYSON may be initiated among others by:

- Process release at start of production
- Negative supplier evaluation
- Supplier development
- Complaint management
- Demand of the JOYSON customer

The supplier is entitled to deny JOYSON the access to trade secrets. If JOYSON nevertheless insists on access, the supplier may demand that JOYSON undertakes to maintain secrecy in advance.

JOYSON or JOYSON's agents shall be granted access to the relevant production, development and testing facilities by appointment. This also applies to the facilities of subcontractors.

For this purpose, the supplier shall enter into corresponding contractual agreements with his sub-suppliers.

2.1.4. Changes during the term of the contract

The supplier shall maintain the management systems for the entire duration of the contractual and supply relationships with JOYSON. Changes to the management systems, the certification status and the contact persons must be notified immediately in writing by the supplier to the JOYSON's Purchasing department (the responsible purchasing employee).

¹ DAKks = Deutsche Akkreditierungsstelle GmbH

² SPICE = Software Process Improvement and Capability Determination

2.1.5. Dealing with authorities

Insofar as authorities in charge of vehicle safety, exhaust regulations, etc., require JOYSON to inspect the production process and the test documents in order to verify certain requirements, the supplier agrees to provide all reasonable support in this respect.

2.1.6. Support

The supplier shall also be obligated to support JOYSON as a business partner in good faith. In particular, the supplier shall complete documents, e.g. on the feasibility of contractual products, upon request.

2.2. Supplier self-information

Prior to supplier qualification, the supplier must complete a self-information in the Supplier Portal. The data given in the self-information is the basis for entering the supplier in the Supplier Portal. This data must always be maintained independently by the supplier in the Supplier Portal and kept up to date.

2.3. Inclusion of the supplier in the "List of approved suppliers".

The inclusion of the supplier in the "List of approved suppliers" is a prerequisite for commissioning the supplier.

A prerequisite for the inclusion of the supplier is the successful completion of the qualification process, in which the supplier proves that his own quality management systems comply with the requirements of JOYSON.

This can be done by means of a potential analysis or another suitable, mutually agreed upon procedure.

Further prerequisite for the inclusion of the supplier in the "List of Approved Suppliers" is the conclusion of the standard non-disclosure agreement provided by JOYSON.

3. Project work for development and series supply

In the following, the framework conditions for project work for development, the start-up of new projects and series supply are defined.

3.1. Cooperation during project, documents to be submitted by the supplier, required inspections by the supplier, project plan

The supplier undertakes to enclose the following information with each quotation:

- Series supplier
 - Feasibility study T0373
 - QAF Cost Breakdown T1051
 - Capacity confirmation T0852
 - Packaging concept T0758
 - Packaging costs T0257 + T0258
- Suppliers of equipment and / or tools
 - Cost Breakdown for Machinery and Equipment T0829
 - TAF Cost Breakdown for Tools T1132

These documents can be downloaded from our Supplier Portal.

The supplier must check the technical documents provided by JOYSON, such as drawings, specifications etc., for plausibility and feasibility, in particular for series suppliers with regard to secure and re-producible production.

Furthermore, the supplier must check whether his production facilities are capable of meeting JOYSON's requirements, in particular with regard to the product, production and the quality required by JOYSON. The supplier shall inform JOYSON of the results of this inspection without delay, but at the latest within twenty-one (21) days after JOYSON has submitted the technical documentation. If the supplier has identified difficulties or obstacles with regard to the aforementioned requirements, it must immediately notify JOYSON in writing.

For this purpose, the serial supplier shall complete the "Concern Sheet" provided by JOYSON, which is part of the form "Producibility Study T0373". Subsequently, appropriate agreements must be made regarding the purchase order of JOYSON in consultation with JOYSON's technical departments.

The supplier is obligated to draw up a project plan (for series suppliers based on VDA Volume 4 ["Quality Assurance before mass-production readiness"] or the APQP procedure) and to submit it without being requested to do so to JOYSON's Purchasing Department within two (2) weeks of placing the order and during the course of the project once a month, unless otherwise agreed upon.

3.2. Engineering, Standards, norms and laws

Upon request, the supplier shall provide development-specific documents (drawings, CAD data, design FMEA, calculations, test reports, evidence or copies of official classification or approval documents).

3.2.1. CAD system

CATIA Version 5 is to be used as the format for the exchange of CAD data. The corresponding release must be defined project-specifically.

Details can be found in the specification "CAD_Methodology_CatiaV5", which can be downloaded from the Supplier Portal.

3.2.2. Public law regulations

The supplier shall be solely responsible for taking note of and adhering to the relevant public law standards and statutory provisions, including any standards applicable to them. The delivered goods or services must comply with all relevant public law regulations of the place where the respective JOYSON production plant is located. Furthermore, the relevant public law regulations must also be complied with worldwide, since the goods or services benefit automobiles that are used worldwide. If public law regulations contain mutually incompatible provisions, the supplier shall immediately inform JOYSON thereof in writing and shall coordinate further action with JOYSON in writing. In addition to the provisions of public law, each product must always be produced and tested pursuant to the applicable JOYSON Standards (.N xx.xxx) (Clause 3.2.3) and, if applicable, the Automotive manufacturer standards (Clause 3.2.4). In the event of any differences or contradictions between the

public regulations and the JOYSON Standards (.N xx.xxx) or the Automotive manufacturer standards, the more demanding product requirements shall apply.

In order to comply with the relevant public law standards (statutory and regulatory provisions) mentioned, the supplier has to document the procedures and processes necessary to ensure such compliance. The supplier is responsible to ensure compliance with this requirement in his supply chain.

3.2.3. JOYSON Standards (.N xx.xxx)

As far as relevant for the respective project, the supplier is responsible for adhering to the "JOYSON Standards" (numbered according to the ".N xx.xxx" scheme) in the latest version.

The latest version of these standards is available for download in our Supplier Portal under "Specifications".

If further JOYSON standards are created or existing standards are changed, JOYSON will inform the supplier accordingly.

3.2.4. Automotive manufacturer standards

The supplier shall observe and adhere to the latest version of the standards of the automobile manufacturers. The supplier must procure these himself. Upon request, JOYSON can provide support in this, especially with the question which manufacturers or standards it comes down to.

Should the supplier discover in the course of series production that the version used is not the most current version or that the standards of different automobile manufacturers are not compatible with each other, he must inform JOYSON without undue delay in writing. The supplier is obligated to inquire regularly, but at least once every three (3) months, about the current status of these standards.

3.2.5. Chemicals and hazardous substances, GADSL (Global Automotive Declarable Substance List)

The supplier must adhere to national, European and international laws, in particular Regulation EC No. 1907/2006 (REACH), Regulation EC No. 1272/2008 (CLP) and Regulation (EC) No. 1005/2009 (depletion of the ozone layer) and other regulations of the transport, import and placing the substance / preparation / product on the market pursuant to national or international regulations.

Within the framework of Regulation EC No. 1907/2006 (REACH), the supplier will act as manufacturer or importer for the contractual products itself or commission third parties with these obligations. JOYSON does not assume any obligations incumbent on the supplier as manufacturer or importer.

If the contractual product (including its packaging) is a substance or if the contractual product contains a substance which is regulated by law pursuant to a European regulation (e.g. REACH) or pursuant to national regulations and which possesses hazardous properties or which may arise during handling, the supplier must, without being requested to do so, classify, register, package and label the contractual product pursuant to the provisions valid at the time of delivery before it is placed on the market. For the first delivery, a safety data sheet in the language of the country of destination and English as well as any additional language versions to be agreed shall be forwarded in each case pursuant to the current legal provisions, stating the relevant occupational safety instructions (risk management measures from exposure scenarios) and approvals for use. The supplier shall send the current version of the safety data sheet every three years and additionally every time the substance / preparation / product is changed or the safety data sheet is revised.

The supplier undertakes to provide all information and documentation required by the REACH Regulation to JOYSON within the time limits specified in REACH/CLP or to forward the information of his previous supplier to JOYSON without delay. In particular, he shall ensure that the delivered contractual products / products do not contain any substances that are prohibited, restricted or subject to authorisation by law or other regulations (e.g. SVHC³, GADSL⁴, customer specifications, etc.). If this is not possible, they must be limited to the respective minimum. The supplier will also fulfil the information obligation according to Article 33 of the REACH Regulation and inform JOYSON in writing of a substance listed according to Article 59 of the REACH Regulation (substances on the SVHC candidate list). The supplier shall independently obtain information about any additions to the candidate list available at <https://www.echa.europa.eu> and fulfil his obligation to inform JOYSON

³ SVHC = Substance of very high concern

⁴ GADSL = Global Automotive Declarable Substance List

under REACH. If JOYSON prescribes materials that do not adhere to the requirements, the supplier shall immediately inform JOYSON in writing.

The Global Automotive Declarable Substance List (GADSL, downloadable under <http://www.gadsl.org>) is binding on the supplier with regard to prohibited and declarable substances, also for the purpose of compliance with Directive 2000/53/EC (ELV). The supplier may not deliver any contractual products to JOYSON that contain substances marked as prohibited according to GADSL (classification "P" - prohibited). If the contractual products delivered to JOYSON contain substances that are considered to be notifiable under GADSL (classification "D" - declarable), the supplier must inform JOYSON without undue delay. The same applies, if used and previously approved substances are classified as prohibited or declarable in a later version of the GADSL.

If and to the extent that automotive manufacturer's standards stated in clause 3.2.4 Automotive manufacturer standards lay down additional requirements, the supplier must also adhere to these requirements.

Chemicals and hazardous substances, GADSL (Global Automotive Declarable Substance List)

4. Documents

The negotiation and drafting of contracts is carried out exclusively by the purchase department of JOYSON.

4.2. Commercial documentation

The commercial documentation is limited to order confirmations, delivery notes and invoices. However, both parties must be able to trace and assign the data listed in the documentation to the respective order and delivery. Deliveries and invoices for which such traceability or assignment is not possible due to missing data, can be rejected until delivery notes or invoices are submitted with the corresponding data subsequently.

4.3. Electronic invoicing

JOYSON prefers electronic transmission of invoices. In exceptional cases, invoices may still be issued in written form.

Further detailed information on the content, form and e-mail addressee of electronic invoicing can be found in the Supplier Portal under "Info e-Invoicing".

6. Quality assurance

6.5. Product Safety Officer

The customer-specific requirements provide for one product safety officer per production site for each stage in the supply chain. There must be a record of this person in the Supplier Portal. A detailed description of the requirements / procedure can be found on the notice board in the Supplier Portal. Project work for development and series supply

Supplier evaluation and development

6.8.2. Monthly Supplier Evaluation

Supplier evaluation is carried out monthly by JOYSON's Purchasing department, quality management and logistics departments and must be retrieved from the Supplier Portal.

The evaluation criteria are available for download in the Supplier Portal as a document - "Rules Supplier evaluation (SRM)".

The supplier evaluation of the JOYSON plants Colleferro, Tregnago, Curtici, Ribita and Kicevo is carried out via the Supplier Rating System (SRS) and is sent to the supplier by e-mail.

The supplier is responsible for taking all measures to obtain and maintain a "green" status.

⁶ On regular business days

⁷ An example 8D report can be downloaded from the Supplier Portal

⁸ PPÜ = **P**eriodische **P**rodukt**ü**berprüfung = Periodic Product Inspection

⁹ CQI = **C**ontinuous **Q**uality **I**mprovement

7. Development of subcontractors

The supplier is responsible for the systematic review and development of his subcontractors pursuant to IATF 16949:2016, VDA volume 6.1 or DIN EN ISO 9001:2015

Certification pursuant to ISO 14001/EMAS (environmental management system), ISO 50001 (energy management system) and ISO 45001/OHSAS 18001 (occupational health and safety management system) shall also be sought after.

8. Customer satisfaction

The supplier must systematically monitor the satisfaction of his customers on the basis of objective data and strive for the continuous improvement of these indicators with the help of appropriate measures.

10. Competitive production base

JOYSON and the supplier agree that maintaining the competitiveness of the contractual products is essential for the supply relationship. The competitiveness of the contractual products is guaranteed, if the contractual products correspond in price and technology with comparable products of competitors.

If JOYSON is offered a product competing with contractual products on more favourable terms, JOYSON shall inform the supplier thereof and set a reasonable deadline for the supplier to improve the competitiveness of the contractual products in full capacity. To this end, the supplier shall draw up a catalogue of measures to restore competitiveness within the set time limit and shall make the catalogue available to JOYSON together with an adapted offer.

If the deadline referred to in the previous paragraph expires without the supplier submitting to JOYSON a proper catalogue of measures to improve competitiveness and/or an adapted offer, or if the adapted offer is still not competitive, JOYSON shall be entitled, after setting a new deadline, to withdraw from the existing agreement with the supplier, or to terminate the agreement extraordinarily without notice for good cause. Goods called up until receipt of the notice of withdrawal or termination will still be delivered and paid for in accordance with the agreed conditions.

13. Compliance / Employees / Residence and work permit of foreign employees of the supplier / Security in the supply chain, authorised economic operator / Export control and foreign trade data / Embargo list / Boycott Regulations / Liability

The following sub-items must be observed and applied by the supplier.

13.1. Compliance

13.1.1. Legal provisions

The supplier shall comply with all applicable laws, regulations and orders under the jurisdiction of each country in which he carries out business. This in particular includes compliance with laws and regulations on bribery and fraudulency, corruption, money laundering, international trade, competition and antitrust laws, human trafficking, corporate governance, taxes and duties, data protection, financial disclosure, employee rights, environmental protection, sustainability and health and safety. In particular, the supplier is obligated not to commit any criminal acts in connection with the fulfilment of his contractual obligations towards JOYSON (e.g. fraud or embezzlement, offences against competition, granting of advantages, taking of advantages, bribery, corruption or similar offences).

13.1.2. Code of ethics and conduct, Supplier Code of Conduct

The supplier shall at all times ensure and guarantee compliance with the provisions of the JOYSON "Code of Ethics and Conduct" as well as the "Supplier Code of Conduct" as amended from time to time (available on the Supplier Portal) by the persons employed by him or by third parties commissioned by him. At JOYSON's request, the supplier shall provide evidence of compliance.

13.1.3. Gratuities and gifts

The supplier undertakes not to directly or indirectly offer, give or otherwise convey to or demand from JOYSON's employees, agents or representatives any gifts, favours, preferential treatments, advantages or other benefits (hereinafter referred to as "gratuities"), in particular money, travel, tickets for sports or theatre events, hospitality and other services with a value of more than one hundred (100.00) EUR.

13.1.4. Human rights

The supplier warrants that he observes human rights in accordance with the Charter of the United Nations in all his operations, in particular that no forced labour or child labour in any form whatsoever shall take place and that there shall be no discrimination based on race or ethnic origin, sex, religion or belief, disability, age or sexual orientation and membership of trade unions.

13.1.5. Right of withdrawal

In the event that the supplier breaches his obligations under clauses 13.1.1, 13.1.2, 13.1.3 and 13.1.4, JOYSON shall have the right to rescind the contract or to terminate all existing contracts with the supplier for cause. Furthermore, JOYSON shall be entitled to terminate on-going contractual negotiations with the supplier without prior notice.

13.2. Employees

For our own and freelance employees, as well as all other employees, the following must be observed in particular:

13.2.1. Minimum wage

The supplier warrants that he, his subcontractors and their subcontractors will pay the statutory minimum wage.

13.2.2. Freelancers

If the supplier uses freelancers to provide the commissioned service, he guarantees their independence and assures that he has installed suitable processes to ensure the independence of the freelancers. Should JOYSON incur any claims due to non-compliance with labour, social security and tax regulations, the supplier shall indemnify JOYSON against such claims.

13.2.3. Temporary employment

In case of temporary employment, the supplier must be in possession of a valid temporary employment permit, if this is required in the country in which the temporary employment is to be performed.

13.3. Residence and work permit of foreign employees of the supplier

13.3.1. Employment of foreign employees

The supplier is obligated to employ foreign employees who perform services in fulfilment of a contract between the supplier and JOYSON (hereinafter referred to as "foreign employees") only if they have the residence and work permit required for the performance of their activities in accordance with the statutory provisions.

13.3.2. Residence or work permit

At JOYSON's request, the supplier shall provide evidence of residence and work permits for foreign employees in compliance with data protection regulations.

13.3.3. Cessation of residence or work permit

If it turns out that the residence or work permit of a foreign employee does not exist or no longer exists, the supplier shall release the foreign employee concerned from his activities for JOYSON; this shall not affect the supplier's obligations towards JOYSON.

13.3.4. Right of withdrawal

In the event of a breach by the supplier of his obligations under clauses 13.3.1, 13.3.2 and 13.3.3, JOYSON shall have a right of rescission or extraordinary termination of all agreements existing with

the supplier for good cause. Furthermore, JOYSON shall be entitled to terminate on-going contractual negotiations with the supplier without prior notice.

13.4. Security in the supply chain, authorised economic operator

13.4.1. AEOS

The supplier declares that he is a certified Authorised Economic Operator (AEO)¹⁰ with the AEO "Safety" authorisation (AEOS) and proves this by sending a copy of the official certification to JOYSON.

13.4.2. Security declaration

If the supplier is not (yet) a certified authorised economic operator (AEOS), he is obligated to ensure that the requirements listed in the security declaration (available in the Supplier Portal) are met in his company and to send the legally binding security declaration to JOYSON without delay. If the Supplier is unable or partially unable to meet the requirements listed in the Security Declaration, he shall be obligated to inform JOYSON thereof in writing without undue delay.

13.4.3. Period of proof

The evidence / statements in accordance with subsections 13.4.1 and 13.4.2 must be provided within two (2) weeks of receipt of an order from JOYSON by the supplier. If the supplier does not comply with this or cannot meet the requirements specified in the security declaration, JOYSON shall be entitled to cancel the order.

13.4.4. Incorrect security declaration, non-compliance

If at any time the supplier does not fulfil or no longer fulfils the requirements promised in the security declaration, he shall be obligated to notify JOYSON thereof in writing without undue delay. An incorrect security declaration or the subsequent failure to meet the requirements specified therein shall constitute a right of withdrawal or an important reason for termination without notice by JOYSON. The supplier shall also bear all expenses and damages incurred by JOYSON as a result of the defectiveness of the security declaration or the subsequent failure to meet the requirements specified therein, unless the supplier is not responsible for this.

13.5. Export control and foreign trade data

13.5.1. Foreign trade law

For all contractual products to be delivered and services to be rendered, the supplier shall comply with the applicable requirements of national and international export, customs and foreign trade law (hereinafter referred to as "foreign trade law"). The supplier shall obtain any necessary transfer or export permits unless the applicable foreign trade law does not require the supplier but JOYSON or a third party to apply for such permits.

13.5.2. Export Control Data

The Supplier shall provide JOYSON with all information and data required by JOYSON to comply with the applicable foreign trade and payments laws for export, transfer and import as well as for re-export of goods and services in the event of resale, in particular for each contractual product and service, in writing and in good time prior to the delivery date.

These are:

- the Export Classification Number (ECCN) pursuant to the U.S. Commerce Control List (CCL), if the goods are subject to the U.S. Export Administration Regulations;
- all applicable export list items (according to the Export List, Annex 1 to the Foreign Trade and Payments Regulation, and Annex I of the Dual-Use Regulation (EC)); if the goods are not subject to any export list item, this must be indicated by "AL: N"; if the goods are subject to Annex IV of the Dual-Use Regulation (EC) No. 428/2009, this must also be indicated;
- the statistical commodity code according to the current classification of the external trade statistics, the HS (Harmonised System) code and the customs tariff number (Combined Nomenclature - "CN code", including TARIC code if available);
- the country of origin (non-preferential origin), and

¹⁰AEO = Authorised Economic Operator
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- if requested by JOYSON: Supplier declarations on preferential origin (for European suppliers) or certificates on preferences (for non-European countries).

In the event of changes in the origin, the characteristics of the products or services or the applicable foreign trade law, the supplier shall update the export control and foreign trade data immediately upon becoming aware and inform JOYSON in writing. The failure to notify JOYSON without undue delay shall be deemed a fault of the supplier in the export control and foreign trade data.

13.5.3. Export documentation

At the request of JOYSON, the supplier shall, in addition to the data specified in clause 13.5.2, enclose an export documentation such as commercial invoice, export and origin declaration with each delivery destined for a JOYSON plant outside the EU.

13.5.4. Right of withdrawal

The supplier shall bear all expenses and damages incurred by JOYSON due to the absence or incorrectness of export control and foreign trade data, unless the supplier is not responsible for this. In addition, such absence or defectiveness shall constitute a right of rescission or an important reason for termination without notice.

13.6. Embargo list

Without prior regulatory approval, the supplier is not permitted to deliver products (including software and technical data) directly or indirectly to countries subject to a US embargo/EU embargo or to natural or legal persons of these countries or to natural or legal persons on US, European or national prohibition lists. The contractual products (including software and technical data) must not contain or be used for any material, technology or equipment originating from any company or country included in a relevant embargo list.

13.7. Boycott Regulations

The supplier's obligation under clauses 13.5 und 13.6 shall only apply to the extent that compliance with the respective embargo or the relevant provision under Section 7 of the Foreign Trade and Payments Regulation and the so-called EU Blocking Regulation (EC) 2271/96 (last updated by Regulation (EU) 2018/1100 of 6 June 2018, in force since 7 August 2018) is allowed.

13.8. Liability

The supplier shall be liable to and indemnify JOYSON against any and all liability, claims, losses or damages of any kind arising out of or in connection with any breach of the rules and regulations set out in the Supplier's Manual, unless the supplier is not responsible for such breach. In the event of a significant breach of the regulations, provisions and obligations specified in this supplier manual, JOYSON shall be entitled to withdraw from the contract with the supplier or to terminate the contract extraordinarily with immediate effect and without notice and to terminate the business relationship, unless the supplier is not responsible for the breach; the supplier shall not be entitled to claims for damages, reimbursement of expenses or compensation of any kind against JOYSON in the event of such withdrawal or such termination and shall be explicitly excluded.

14. List of abbreviations

ADSp	Allgemeine Deutsche Spediteur Bedingungen (General German Freight Forwarder Terms and Conditions)
T&C	General Terms and Conditions of Purchase of JOYSON
AEO	Authorised Economic Operator
AIAG	Automotive Industry Action Group
AktG	Aktiengesetz (German Companies Act)
APQP	Advanced Product Quality Planning
BAM	Bundesanstalt für Materialforschung und –prüfung (Federal Institute for Materials Research and Testing)
CAD	Computer Aided Design
CCL	Commerce Control List
CLP	Classification, Labelling and Packaging of Substances and Mixtures
CP	Control Plan
CQI	Continuous Quality Improvement
CS1	Controlled Shipping Level 1
CS2	Controlled Shipping Level 2
DAkks	Deutsche Akkreditierungsstelle GmbH
DATA TRANSMISSION	Remote data transmission
ECCN	Export Classification Number
EDI	Electronic Data Interchange
EDIFACT-DELFOR	Delivery schedule data transmission according to EDIFACT; Electronic Data Interchange For Administration, Commerce and Transport (worldwide format for the representation of business and trade data for the exchange with data transmission)
EDIFACT-DESADV	Delivery note data transmission according to EDIFACT (worldwide format)
EMAS	Eco-Management and Audit Scheme
EMEA	Europe Middle East Africa
EMPB	Erstmusterprüfbericht (Initial sample Inspection report)
EOP	End of Production
ELV	End of Life Vehicles Directive (= Directive 2000/53/EC on end-of-life vehicles)
FMEA	Failure Mode and Effects Analysis
GADSL	Global Automotive Declarable Substance List
HS	Harmonised System
IATF	International Automotive Task Force
IMDS	International Material Data System
iPCMP	iPoint Conflict Minerals Platform
ISIR	Initial Sample Inspection Report
CIP	Continuous improvement process
Mis-labeling	Labelling of packages and containers deviating from the standard specified by JOYSON
MPA	Mass Production Approval
ODETTE AVIEXP	Delivery note-data transmission according to Odette (Europe-wide format)
OEM	Original Equipment Manufacturer (here: automotive group)
OHSAS	Occupational Health- and Safety Assessment Series (= an occupational health and safety management system)
PPAP	Production Part Approval Process (sampling documents of a component)
PPF	Production process and product release
PPM	Parts per million
PPÜ	Periodische Produktüberprüfung (Periodic product inspection)
QAF	Quotation Analysis Form
QP	Quality Planning / Quality Planner
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals (= EU Chemicals Regulation)
SC	Special Characteristics

SLVS Disclaimer

JOYSON explicitly prohibits the coverage of damage insurance in accordance with § 29.1 ADSp as well as transport goods insurance by the forwarding company, with the exception of "carriage paid" delivery. The supplier undertakes to inform the forwarding company of this when the goods are dispatched by the forwarding company.

SOP

Start of Production

SPICE

Software Process Improvement and Capability Determination

SQA

Supplier Quality Assurance (= Quality Assurance)

SVHC

Substances of Very High Concern (= substances in connection with REACH))

T&C

General Terms and Conditions of Purchase of JOYSON

UCC

Union Customs Code

VDA

Verband der Automobilindustrie (Association of the Automotive Industry)

VDA 4902

Specification of the VDA for goods annexes

VDA 4905

Specification of the VDA for delivery schedules

VDA 4913

Specification of the VDA for delivery note-data transmission

VDA 4915

Specification of the VDA for delivery schedules

15. Sources / Templates

For downloads, kindly refer to

<http://www.supplierportal.eu.joysonsafety.com/> :

CAD Methodology CatiaV5
IMDS_guideline_Suppliers_JSS
Info-E-Invoicing
JSS Code of Ethics and Business Conduct
Labelrequirements_Joyson_Safety_Systems
M1151-1_Supplier_Manual
N02027_Supplier_Information_Sheet
Rules Supplier Evaluation (SRM)
Sample_8D_Report
Specifications (JOYSON Standards)
Supplier Code of Conduct
Supplier_Packaging_Manual
T0143_Control_Plan
T0233_Mass_Production_Readiness_Check
T0257_CBD_Oneway_Packaging
T0258_CBD_Returnable_Packaging
T0373_Producability_Study
T0509_AQP
T0532_Mass_Production_Readiness_Process
T0675_Label_for_sample_parts_Musterteileetikett
T0708_Selfaudit_special_characteristics
T0758_Packaging_Proposal
T0829-1_Cost_Break_Down_Special_Machines
T0852_PUR_Series_Supplier_Capacity_Check
T1051_QAF_CBD
T1132_Tool_Cost-breakdown_TAF
T1148_Supplier_Emergency_Plan_Product
T1149_Supplier_Part_History
T1150_Supplier_Request_Form

Internet resources:

<http://www.gpo.gov>

<http://www.conflict-minerals.com>

<http://www.conflictreesmelter.org>

<http://www.oecd.org>

<https://echa.europa.eu/de>

<http://www.mdsystem.com>

<http://www.gadsl.org>

Confirmation

The Company hereby certifies that

_____/_____
Designation Supplier No. at JOYSON

Street

_____/_____
Place Country

it has received the supplier manual from JOYSON and accepts it for itself and for all companies affiliated with it within the meaning of § 15 AktG.

Please tick the boxes with a cross:

- ☐ currently there are no companies associated with the above company
- ☐ the following companies are related to the above company:

Name / Address

Name / Address

Name / Address

Name / Address

Name / Address

Name / Address

Name / Address

Name / Address

Name / Address

Name / Address

Date, name, signature
(Authorised signatory of the supplier)