CORPORATE SUPPLIER QUALITY SPECIFICATION

A copy of this page must be returned duly signed to the Sender‘s address within 15 days upon reception.

Received on	Supplier Company name	Date and signature of the Supplier Responsible

Rev.	Date	Description of the changes	Written by	Verified by	Approved by
2	24/06/22	Management of safety characteristics clarified	AQ	ORG	DQ
1	25/05/22	Chapter 12 revised	AQ	ORG	DQ
0	07/01/21	First issue	AQ	ORG	DQ

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1. FOREWORDS

The BM Group (hereinafter BM), which includes BM Industria Bergamasca Mobili, BM Polska Sp.zo.o, Industrias BM de Mexico S.a de C.V., is committed to achieve a level of quality that results in zero defects in order to exceed expectations and ensure customer satisfaction. To achieve this goal, BM must be able to count on the quality and reliability of the performance of the products and services received from its Suppliers.

1.1 Scope

This information applies to all Suppliers who have interest in doing business with BM by providing raw material, components and/or services.

2. QUALITY MANAGEMENT SYSTEM REQUIREMENTS

2.1 Quality Management System

Each Supplier to BM is required to maintain an effective quality management system. At a minimum, Automotive Suppliers are required to be Third Party Registered to ISO9001: *Latest Level* by an accredited Certification Body. In addition, Suppliers must be able to demonstrate the capability to supply parts, materials or services that meet requirements. Evidence for the capability to supply parts that meet requirements may consist of references from current Suppliers, sample products, industry approvals, quality awards, audit results, or other items found acceptable by BM Quality and Purchasing Departments.

2.2 Quality Manual and Procedures

The Supplier, as requested, will furnish BM with a copy of the Supplier's Quality Manual and supporting procedures. This includes detailed documents and work instructions specific to production of material for BM.

2.3 Control of Sub-Tier Suppliers

Suppliers are responsible for the quality of materials and components provided by their sub-tier Suppliers and sub-contractors. Suppliers to BM must impose controls on their sub-tier Suppliers that provide quality results and documentation comparable to the controls applied to Suppliers by BM. The extent of the controls may vary, depending on the nature and complexity of the product and processes, but should normally include:

1) Evaluation and qualification of sub-tier Supplier facilities
2) Controls to ensure that the sub-tier Suppliers of components/materials used are those approved by BM and also with BM Customer, where applicable.
3) Ensure that sub-tier Suppliers have an Environmental program modeled after ISO-14001: *Latest Level*
4) Part/Material qualification, including scheduled inspection and process capability studies, testing at prescribed frequencies including annual validation as applicable
5) Control of drawings/revisions
6) Control of nonconforming material
7) Corrective action and preventive action programs
8) A continuous quality improvement program
9) Assessment of the information security management (protection of confidential data)

Where appropriate, BM may specify the sub-tier Suppliers that may be used, evaluate and qualify the sub-tier Supplier's facilities, and assist the Supplier in controlling the sub-tier Supplier. Typically, this occurs when the sub-tier Supplier is an essential component of the supply-chain process. BM reserves the prerogative to evaluate the quality system and records of such sub-tier Suppliers as necessary. **+**

3. SUPPLIER QUALIFICATION PROCESS

All Suppliers of production materials to BM must be qualified Suppliers. The extent of the qualification process is dependent upon the criticality of product purchased and other factors determined by BM. The qualification process in its most complete form consists of three parts:

1) A questionnaire completed by the Supplier (Self-Audit).
2) BM requires the survey to be completed annually with up to date contact information as well as copies of all pertinent Certifications/Registrations such as IATF 16949, ISO 9001, ISO 14001. In some cases, BM may require audit results to the VDA 6.3 Standard or similar.
3) An on-site assessment by BM Personnel or their authorized agents.

BM periodically reevaluates Suppliers based on quality performance data and/or on-site assessments.

3.1 New Supplier Questionnaire

In the early stages of the Supplier selection process, potential Suppliers are sent a questionnaire. This questionnaire solicits general information about the company such as location(s), size, capabilities, as well as detailed questions regarding the Company's quality management system and quality history.

3.2 New Supplier Self Assessment

When a new Supplier is being considered, they are sent a quality management system self-assessment survey form. The Supplier completes the self-assessment (Self-Audit Form) and returns it along with a copy of their quality manual and supporting documents including Certifications/Registrations as referenced in Section 3. BM will review the submissions to determine if the documented quality system meets BM requirements/expectations.

3.3 On-Site Assessment

For Suppliers of critical components, an on-site assessment of the Supplier's facility is performed. The on-site assessment includes three components:

1) A quality assessment to determine whether the Supplier's quality management system is in place and functioning effectively. The Assessment may be adapted to the IATF 16949 or VDA 6.3 Standards as applicable.
2) A business assessment to determine whether the Supplier has financial resources, production capacity, and other business resources needed to fulfill BM production needs.
3) A technology assessment to determine whether the Supplier has the needed technical resources, including production and inspection equipment, facilities, engineering resources, etc.

If the assessment team determines that the Supplier meets BM' requirements, the Supplier will be qualified to bid on new business and supply production materials.

3.4 Periodic Reevaluation

BM periodically reevaluates current production Suppliers based on the results of monitoring quality performance data (including Biannual Score Cards) and/or on-site assessments. If requested, the Supplier shall make their facility available for on-site process verification by BM, with reasonable notice. In addition, Key Suppliers (domestic providers of material and or goods that are used in making product at BM that have characteristic(s) identified as Safety, Special or Regulatory) will be subject to a minimum of one audit every three years.

4. INITIAL SAMPLE APPROVAL (AIAG PPAP, VDA PPF)

The Supplier is responsible for submitting all PPAP data requested by BM. BM and the Supplier will agree on the number of the samples (or material amount) to be checked and submitted with the PPAP Information. Where possible, all PPAP documents should be submitted to the Supplier quality engineer in electronic format (preferably Adobe Acrobat or Microsoft Office).

In some cases, BM personnel may wish to be present during the initial production run. This will allow us to validate and verify the process before any product is shipped.

4.1 PPAP Requirements

For each new or changed part/material, Suppliers are required to submit PPAP parts/materials with supporting documentation for BM approval to ship production parts. The following is a list of requirements for each submission:

- Design Record. Engineering drawings with tolerancing, special characteristics identified. Technical Data Sheet showing testing ranges, etc.
- Authorized Engineering Change Documentation if applicable.
- BM Customer Engineering/Quality approval if applicable. BM is responsible for informing the Supplier if this is an applicable element.
- Design Failure Mode and Effects Analysis only if the Supplier designed the product being submitted.
- Process Flow Diagram.
- Process Failure Mode and Effects Analysis (PFMEA). All Suppliers of production parts/materials are required to submit a PFMEA with each product in accordance with AIAG Guidelines.
- Process Control Plan. All Suppliers of production parts/materials are required to submit a Control Plan with each product in accordance with IATF Guidelines. Note: the Control Plan must detail all measurement systems used to determine conformance or nonconformance of the product being submitted.
- Measurement Systems Analysis in accordance with AIAG Guidelines must be performed and submitted for each measurement system as noted in the Control Plan. Consult your BM contact to determine which study methodology is to be used. Examples: Long Form Gage Repeatability and Reproducibility Studies, Short Form Gage Repeatability and Reproducibility Studies, Attribute Gage Studies, Bias, Linearity, etc. In terms of Gage R&R Studies, BM determines acceptability under 10 percent. Between 10 and 20 percent may be acceptable based on application and significance of characteristic being measured.
- Dimensional Results: For all production parts being submitted, a ballooned print is required with full dimensional results of at least five (5) parts for a single cavity, 2 parts per cavity for a two to four cavity tool, or one part per cavity for a five or more, cavity tool. Parts used for dimensional submission shall be clearly identified and included with the submission. Additional parts from the same lot must be retained by the Supplier and must also be clearly identified and protected from damage due to long term storage.
- Material Performance Test Results: The PPAP Submission must include a copy of the material certification documentation from the raw material source in accordance with the applicable ISO Standards. Include any Qualification Test Results, including Pass or Fail determinations. Note that if a regulatory requirement applies (such as D/TLD/A), requalification takes place every 12 months and must be documented through a self-assessment (see also Chapter 9.1)
- SPC characteristics are to be agreed upon with BM prior to submission. The results of the internal process capability test (machine capability, Cmk, or preliminary process capability, Ppk) for the agreed characteristics must be provided. A value of 1,67 for both Cmk and Ppk must be met. Documentation for submission should include Variable/Attribute Charting, Histogram and a Summary of Statistics including Capability, P Value (normality), etc.

- Qualified Laboratory Documentation: An Internal Laboratory shall have a defined scope and must be included in the organization's Quality Management Documented System. External Laboratories shall be accredited by a Third Party to ISO:IEC 17025 *Latest Level*. In some cases, only Laboratories approved by BM Customers can be utilized. Check with your Quality and/or Purchasing contact.
- Appearance Approval Report (AAR) only when applicable.
- Master parts from the same lot as the parts/material being submitted must be retained by the Supplier and must also be clearly identified and protected from damage due to long term storage.
- Checking Aids: Include supporting documentation for part specific gages, fixtures, checking aids, boundary samples, overlays, etc. with each submission. Suppliers must be able to demonstrate that checking aids agree with part dimensional requirements.
- Part Change History Record.
- Samples of approved Labeling. Also include any tagging or labeling that is identified throughout the process and may demonstrate traceability.
- Packaging: The PPAP submission must include "agreed upon" packaging concept or direction. Please provide Email, Letter, Form, etc. that demonstrates agreed upon packaging terms with BM.
- Copy of all Asset Tags where applicable.
- Part Submission Warrant in accordance with AIAG Guidelines. PSW forms must be complete and include Supplier signature and date. Signed PSWs attest to the accuracy and acceptability of all contents of the Part Submission Package.
- IMDS must be included on the Part Submission Warrant. BM Italy IMDS Identification is 131212. BM Poland IMDS Identification is 143240: BM Mexico IMDS Identification is 117827.
- Include all applicable Material Safety Data Sheets (MSDS) as applicable.

Exceptions require written approval from BM. For clarification of BM' requirements for your specific submission, please contact your BM Quality Professional.

5. MANUFACTURING CONTROL

5.1 Process Control

BM' Suppliers are required to control all manufacturing processes in accordance with the control plan, which is approved during part qualification.

5.2 Statistical Process Control

Where specified in the control plan, the Supplier is required to apply effective statistical process controls.
Effective controls must include:

1) The control chart displays control limits that are correctly calculated (specification limits may not be used as control limits).
2) The control chart is at the process area, visible to the operator, or persons who are responsible for controlling the process.
3) For each out-of-control condition, actions are taken to bring the process back into control. Actions taken to bring the process back into control are recorded.
4) Product produced during any out-of-control condition is labelled, sorted, scrapped, reworked or dispositioned through the Supplier's material review process

5.3 Process Performance Requirements

The ongoing process capability (Cpk) is the comparison of the actual process variation to the specification limits. When required to submit process performance data to BM, the Supplier must report process performance using the following method:

Special Characteristics: A Cpk of at least 1,33 is required. Any critical characteristic failing to meet the minimum requirement requires a containment plan and an improvement plan. Containment must remain in place until countermeasures can be determined effective and the capability requirements can be consistently met. Containment is at the expense of the Supplier. BM reserves the right to request on going performance data at any time.

Other Characteristics: A Cpk of at least 1.00 is required. The Supplier is not required to calculate and report process performance for non-critical characteristics, unless requested by BM. When specified, other characteristics failing to meet the minimum requirement may also require a containment and improvement plan.

For unilateral tolerances, the same logic is employed, except that only the side of the tolerance that is specified is used in to calculate Cpk.

5.4 Process Improvement

Out-of-control or unstable processes (which have assignable causes) and processes that do not meet the minimum Cpk/Ppk requirements must be identified and corrected. The Supplier must also improve processes with low yield rates.

5.5 Lot Control

A lot consists of product of one part number and revision that are made at the same time, under the same processing conditions, from the same lot of raw materials. The primary purpose for identifying lots is to determine the scope of actions that must be taken when problems arise during further manufacturing or with customers. Each container of material shipped to BM must be identified with the Supplier's lot number. Inspection records must be traceable to lot numbers.

The following are typical conditions that result in a change of lot numbers:

1) Change of part number or revision
2) Change of part number or revision of components
3) Interruption of continuous production (typically for more than a few hours)
4) Repairs or modification to the tooling or equipment
5) Tooling changes (other than minor adjustment or replacement of consumable tooling)
6) Change to a different lot of raw materials
7) Process changes

5.6 Traceability

Traceability ties finished product back to the components used in the product. When traceability is specified, the traceability marking should be effective down to the individual component, i.e., lot code, batch or serial should be identifiable throughout BM' processes.

5.7 Safety

At no time, should any customer, or person at BM, be exposed to hazardous material or situations that are not inherent in a component's structure. For items with inherent hazards, safety notices must be clearly observable. As applicable, MSDS sheets must be provided during the PPAP process. Service Providers that will be on-site, must register with the Manager of Environmental Health and Safety in order to receive their Service Package which includes all of BM' requirements for on-site service providers.

5.8 Maintenance

The Supplier must maintain all facilities, manufacturing machines, tools, measuring devices, and other equipment in such a manner that the Supplier can support BM' production requirements, and the quality of parts manufactured is not degraded in any way.

6. DRAWING AND CHANGE CONTROL

The Supplier must have a documented system for assuring that the latest BM' drawings and/or Specifications are in effect at their facility. The Supplier's quality management system must contain a documented procedure that describes the method used for the receipt, review, distribution, and implementation of all changes to drawings and specifications. In addition, the procedure must address control of obsolete drawings and specifications. A documented procedure should also detail the method used to contain new or modified parts until approved by the customer.

6.1 Process Changes, Engineering Changes

Suppliers must have systems in place to control changes to drawings, specifications, processes, or produced parts. Systems should be capable of handling changes being requested by the customer, and also changes requested by the Supplier.

NOTE: The PPAP Process refers to a given part number for a specified revision level produced in a specific area of the manufacturer's facility. **Suppliers may not make any changes in their process, location, material, or to the part without written approval from BM.** The Supplier must formally request a process change on all BM' components or materials.

6.2 Supplier Process Change Request

A Supplier Process Change Request is used to request a change to a released part, process, drawing, or specification. BM encourages Suppliers to request changes for process improvement with the stipulation that before a Change Request is submitted, the Supplier thoroughly reviews their FMEA and control plan to assure that all process-related issues have been addressed and resolved.

The originator of a Change Request includes the following information:

1) Drawing or part number
2) Drawing or part title
3) Description of problem or recommended change
4) Reason for change or "rationale"
5) Proposed effective date

The Supplier submits the Change Request with the revised FMEA and control plan (if applicable) to BM for evaluation of the following:

1) Supplier-demonstrated process capability and stability
2) Comparison to PPAP Data
3) Industry standards
4) Supplier process engineering capabilities
5) Supplier's adherence to control plan

Once BM has completed the review, and concurs with the Supplier, the Supplier will be notified as to the final disposition of the Change Request and part submittal requirements and dates.

When monitoring is required, the appropriate markings must be identified on the lots etc. for a specified time frame as decided jointly with BM and the Supplier.

6.3 Supplier Deviation Request

A Supplier is never permitted to knowingly ship product that deviates from the print, specification limits, or design intent without written authorization from BM. If such a condition exists, the Supplier may request BM to allow shipment of the product. This is accomplished by initiating a Deviation Request.

If directed by BM, the Supplier must send samples of non-conforming items for evaluation. The cost of any testing required to determine the acceptability of the product will be charged to the Supplier. BM will determine the item's acceptability and what corrective actions (if any) are required beyond the deviation. If approved, BM will send a written deviation approval to the Supplier.

The deviation is only intended to be an interim action and **is not** to be construed as an engineering change. The Supplier must begin work immediately to correct the condition in question. This must be accomplished within the time frame stated on the deviation. Failure to comply with the mutually agreed upon closure date for the deviation may result in the Supplier's rating being affected.

In all cases, the Supplier must fully contain all product suspected of being non-conforming at their facility. In addition, the Supplier may be required to sort any suspect product at BM' Customer location, on-site at BM, In-Transit, Supplier Location, etc. at Supplier cost.

Any parts sent to BM that have been approved on a Deviation must be clearly identified on the box, container, or other packaging method with the appropriate markings decided jointly by BM and the Supplier.

7. PACKAGING & LABELING

7.1 Packaging

Each Supplier must adequately plan for packaging. BM encourages Supplier-initiated packaging improvements. Suppliers will provide packaging that provides protection from any damage that may occur. Packaging, labeling, and shipping materials must comply with the requirements of common carriers, in a manner to secure the lowest transportation costs.

Whenever possible, only one part number and one Supplier lot is to be packaged in a shipping container. When more than one part number or lot number is packaged in a shipping container, each part number and/or lot number must be separately packaged (i.e. bags or boxes) inside the container, with each labeled as to the contents.

7.2 Labeling

Each shipping container or inside package must contain the following information:

1) BM part number (if no number exists, Supplier part number is used)
2) Quantity
3) Supplier's Name
4) Purchase Order Number
5) Lot identification (Including Date)

8. CORRECTIVE ACTION METHODOLOGY

BM requires Suppliers to utilize a closed-loop corrective action system when problems are encountered in their manufacturing facility (example: nonconformities found during an Audit), or after nonconforming product has been shipped.

8.1 Corrective Action Process Approach

The corrective action system utilized should be similar to the process outlined below. The focus should be on identifying the root cause(s) of the problem and taking action to prevent its recurrence.

1) Use a team approach
2) Describe the problem
3) Contain the problem
4) Identify and verify root causes(s)
5) Implement permanent corrective actions
6) Verify corrective action effectiveness
7) Close the corrective action

8.2 Supplier Corrective Action

BM issues an 8D Report Request to a Supplier when non-conforming parts or material are found at incoming inspection, in production, in test, or by a BM customer. They can also be issued as a result of a Supplier audit. The following provides a brief outline of the 8D procedure that Suppliers are required to comply with:

1) BM requires that the Supplier take immediate containment action upon notification of the nonconformance. The Supplier must submit a written response to BM, reporting the Supplier's initial observation and defining the interim containment plan within 24 hours of notification. The containment plan must clearly define the containment actions at BM, In Transit and at the Supplier's facility to assure that no nonconforming product is shipped to BM. The Supplier will assist BM in identifying customer risk by identifying all suspect lot numbers and associated quantities involved.

2) Within Ten (10) working days after the original notification, the Supplier must report the results of the Supplier's investigation, cause of the problem and plan to correct and prevent future occurrences. The Supplier must submit the corrective action to be taken to prevent recurrence of the problem, and the effective date (the date the corrective action will be implemented.). Actions such as "train the operator," "discipline the operator," or "increase inspection," are not acceptable corrective actions.

3) The Supplier is required to keep BM informed of progress towards implementing the corrective action. When corrective action implementation is complete, the Supplier and BM must verify that the corrective action is effective in preventing the problem's recurrence.

9. CUSTOMER SPECIFIC REQUIREMENTS

It is the Supplier's responsibility to understand the OEM for the parts or material they are providing. Specific requirements for Tier 1 Suppliers to BMW, Volkswagen, Mercedes, FCA, Ford, GM, Nissan, Toyota, Honda, etc. can be found in each Portal and/or by going to:
https://www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements/

It is BM' responsibility to inform each Supplier of any specific requirements that are pertinent to specific OEMs and/or Tier 1 Customers.

The supplier of automotive components for the Volkswagen Group shall appoint a Product Safety and Conformity Representative (PSCR), responsible for all related tasks described in Section 4.4.1.2 of IATF 16949 and Formel Q-Concrete, Chapter 4.2. This information shall be forwarded to BM's Purchasing Department with the name and email address of the

person in charge at the supplier's site. Note that this requirement is for all Suppliers manufacturing product or materials that will be used by Volkswagen to manufacture vehicles.

9.1 Requalification

As a default, BM requires a Regular Requalification from every Supplier. Regular Requalification is defined as a completely new PPAP Submission at least every three years. Any deviation from the Requalification content must be agreed between the Supplier and the Customer. Please note that if your product has regulatory requirements such as D/TLD/A, the Requalification takes place very twelve months (see Section 8.2.3.1.2/ 8.3.3.3 of IATF 16949) and relative records must be retained for fifteen (15) years, unless otherwise specified on order.

10. SUPPLIER MONITORING

BM continually monitors its Suppliers to ensure they continue to meet requirements, and to ensure that the Supplier continues to ship acceptable parts. This may consist of:

1) A quality management system surveillance audit at the Supplier's facility
2) An on-site audit of the Supplier's control plan
3) A random incoming inspection audit of a batch of product
4) Source inspection of product at the Supplier's facility
5) Review of Supplier-furnished data packages
6) A Supplier progress review meeting conducted periodically at the Supplier's site or at BM o review Supplier performance and progress

10.1 Supplier Audits

Periodically, BM may audit the Supplier's quality management system. The Supplier must make their facility available for on-site process verification at any time, with reasonable notice. This may be a full or abbreviated documentation and on-site audit. The purpose is to evaluate any changes that may have occurred in the Supplier's quality management system, and to assess the Supplier's continuing commitment to quality improvement.

Periodically, BM may also audit the Supplier's continuing conformance to the control plan approved in the PPAP Process. BM understands that the Process Control Plan and PFMEA are living documents and Suppliers are expected to update documentation as failures occur and to resubmit using the Corrective Action response process.

10.2 Containment

BM requires its Suppliers to furnish material that conforms to all requirements, and that does not need to be inspected when we receive it. Material that does not meet requirements, at BM' discretion, in order to meet production requirements, 100% sorting may be done as necessary at the Supplier's expense.

BM may inspect product at the Supplier's facility to detect potential problems prior to shipment. BM may also inspect product at sub-tier Suppliers.

10.3 Supplier-Furnished Lot Documentation

BM may require the Supplier to furnish inspection, test, process performance, or other quality data (examples: CoC, CoA) with each shipment to ensure that the product meets requirements. When data submission is required, the data must accompany each shipment, or be e-mailed at the same time the lot is shipped. All documentation must be clearly identified with part number, and the Supplier's lot number.

When specified, the Supplier must submit monthly data packages. Data packages typically consist of copies of control charts and process capability calculations for specified characteristics.

Once the Supplier has completed two consecutive quarters of data submissions, the Supplier may request elimination of the data submission if records show that the characteristic consistently satisfies BM' requirements for process stability and process performance, and if the characteristic has caused no problems in production. BM will notify the Supplier in writing if the data submission may be discontinued.

10.4 Supplier Performance

The Purchasing Manager or designee will do the following:

1) Submit a Self-Assessment Survey to all Suppliers to be completed annually.
2) Request Quality and Environmental Certificates from all Suppliers to be submitted annually.
3) Biannual Supplier Evaluations in the form of Scorecards will be distributed. Quality expectations are 0 PPM and 0 Incidents. Shipping expectations are 0 Missed Shipments. Missed shipment is defined as a delivery that is two (2) days late or five (5) days early.
4) Any rating of 60% or less will require one of the following activities to be performed: Corrective Action submission to BM (8D) or a Supplier On-Site Audit using the IATF 16949 Standard format or VDA 6.3.

10.5 Escalation

In the event that a Supplier has repeated quality and/or delivery issues, the Supplier will be required in writing by BM, to provide Corrective Action(s). Repeat Quality Issues will require 3rd Party Inspection. Selected 3rd Party must be approved by BM Quality Management. In the event that a Supplier fails to meet the 60% minimum requirement for each section of the Scorecard, they will be required to provide Corrective Action(s).

If issues continue or that Corrective Action previously submitted does not prove to be effective, the Supplier's Executive Management will be required to appear in person at BM to present Systemic Corrective Actions. If a Supplier's Scorecard exhibits a negative trend after Corrective Action, BM may select the Supplier for an on-site audit/review and/or require the Supplier's Executive Management appear in person at BM to present Systemic Corrective Actions.

If the Supplier continues to have repeat Quality and/or Delivery Issues after submission of Corrective Action and after meeting with the Supplier's Executive Management Team, the Supplier will be placed on "New Business Hold" and will not be sourced new business until approved by the BM Quality and Purchasing Management Team.

11. SUPPLIER CHARGE BACKS

It is reasonable for Suppliers to expect BM to recover costs due to failure of supplied product due to quality and/or delivery issues.
It is also reasonable for Suppliers to expect BM to be fair and to support the Supplier's efforts to implement corrections and to not profit from failure.

11.1 Administration Fees

For Each Supplier Notification of Rejection, an Administrative fee will be assessed.

11.2 Direct Pass Through Costs

Direct Costs received from BM' Customers due to a Supplier Failure, will be passed on to the Supplier with a 10% fee added. All customer documentation will be provided to the Supplier to support the claim.

11.3 Third Party Costs

In the event that BM must initiate a Third-Party Event at BM Customer or on location at BM, all costs will be passed on to the Supplier and will also include a 10% fee. Suppliers have the option to initiate Third Party activity before BM.

12. CORPORATE SOCIAL RESPONSIBILITY POLICY

BM is committed to conducting business in a socially responsible and ethical manner, which is respective of protecting the environment, assuring the safety of people, supporting human rights, and supporting the communities and cultures within which we work. BM expects the same commitment from our Suppliers and requires that these standards are passed through to their supply chain.

12.1 Corporate Ethics and Compliance

BM expects that our suppliers and sub-suppliers maintain the highest standards of corporate ethics and responsible and lawful conduct. All business relationships and transactions by the companies in the supply chain must conform with local laws and be conducted with the utmost integrity and honesty; including in particular:

1) Compliance with all applicable anti-corruption laws and programs
2) Avoid anti-competitive/anti-trust business practices
3) Protection of intellectual property and commercial secrecy
4) Compliance with regulatory / laws (examples: REACH, RoHS)
5) Actively contrast any conflict of interest
6) Encourage whistleblowing and protect against retaliation

12.2 Environmental and Conservation Practices

BM expect their suppliers and their whole supply chain to adopt environmental practices that are sustainable, responsible and that promote conservation of resources and raw materials according to the standard ISO 14001.
Our suppliers should focus their efforts to ensure that their products, processes and supply chain minimize the use of energy and resources and comply with all applicable environmental laws and regulations. Suppliers in particular should focus on:

1) Reducing energy and water consumption
2) Reduction of the Greenhouse Gases
3) Increase the use of renewable energy
4) Implement an appropriate recycling and waste disposal concept
5) Keep the air quality at the highest standard

BM suppliers should also proactively support efforts in their market segment to develop and utilize environmentally friendly technologies. The aim of this support is to increase responsible resource mobilization and avoid the procurement and use of resources that have been obtained illegally or through unethical or unfair measures.

12.3 Human Rights and Labor Conditions

It is of paramount importance to BM that entrepreneurial activities also consider the social responsibility towards employees. BM requires that its suppliers adhere to these social

standards, and to incorporate them into their own corporate policy and that ensure its supply chain adopts it. The following principles are of particular importance:

1) Respect for human rights
2) No discrimination and guarantee equal opportunities and treatment
3) Prohibition of human trafficking, child and forced labor
4) Freedom of association and the right to collective bargaining
5) Wages comply with all applicable national minimum wage laws
6) Wages paid are without regard to gender
7) Compliance with local regulations regarding working hours
8) Compliance with local occupational health and safety regulations and continuous improve of the H&S program in accordance to the standard ISO 45001

13. CONFIDENTIALITY

The Supplier is required to ensure (through the adoption of suitable safety measures), the protection and confidentiality of all kinds of data and information acquired during the professional relationship with BM. The supplier agrees to comply with this requirement by signing a Non-Disclosure Agreement (NDA) already from the first steps of the Supplier Qualification Process (Chapter 3).

BM authorizes the Supplier to manage and use such information according to the modalities deemed most appropriate for the scope of the supply. The Supplier is obliged to not disclose this information to third parties or reproduce it, or use it for different purposes without the prior written consent of BM Management.

BM also reserves the right to review (through audits and/or other effective methods) the data/information/documents stored at the Supplier's facilities in order to verify their proper management. BM may require corrective measures to improve the security and confidentiality of information. In addition, BM reserves the right to charge the Supplier for any damages caused by the unauthorized use of the information in its possession.