



Global Supplier Manual

Elevating Performance through Collaborative Partnerships

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AUGUST 5, 2025
OPTIMAS SOLUTIONS

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1 INTRODUCTION

1.1 YOUR PARTNERSHIP WITH OPTIMAS SOLUTIONS

Optimas Solutions (referred to herein as "Optimas") is a certified manufacturer and distributor of fasteners and C-class components across the automotive sector and various other industries. Optimas has IATF16949, ISO9001, and VDA6.2 Quality Management System accreditations, enabling us to meet the diverse requirements of customers across a wide range of industries.

Our commitment to excellence is rooted in our dedication to satisfying the needs and expectations of our customers, employees, suppliers, internal stakeholders, and the broader community.

Optimas aims for measurable improvements in our key operational performance indicators, Quality, Cost, and Delivery, through a consistent focus on continuous improvement. Optimas fulfills these expectations by constantly enhancing our processes and practices. This fosters a culture where quality is a measure of product and service performance and the foundation for operational excellence, ensuring we meet or exceed our customers' performance expectations.

We recognize our suppliers' essential role in our success and are committed to fostering cooperative and collaborative relationships. Together, we aim to achieve excellence in all facets of our operations, guided by mutual respect and shared goals.

1.2 APPLICATION PURPOSE AND SCOPE

This manual is designed to communicate the essential requirements that Optimas suppliers must meet to conduct business effectively with Optimas. It applies to all suppliers of direct materials and outside processing (see section "Definitions and Abbreviations" at the end of this manual) to Optimas plants and facilities globally.

This document does not apply to providers of tooling, equipment, or professional services.

This Manual is a controlled document. It is the responsibility of Optimas to distribute the latest revision to its suppliers. This will be accomplished by posting the Manual on the Optimas Website. It is the responsibility of each supplier to ensure compliance with requirements, including customer specific requirements, outlined in this document by periodically monitoring the website for changes.

If Optimas Solutions mandates the use of a designated sub-supplier (i.e. customer nominated source), the primary supplier is responsible for the following, unless noted in active contracts, or otherwise agreed upon with Optimas Purchasing, and approved by Optimas Quality:

- Auditing, assessing, and approving the sub-supplier.
- Managing New Product Introduction (NPI) with the sub-supplier.
- Approving the sub-supplier's Production Part Approval Process (PPAP).
- Monitoring the sub-supplier's performance.

For any situation that existing contractual agreements, or this handbook do not address, the supplier must reach out to their Optimas purchasing contact for questions or solutions.

1.3 SUPPLIER RESPONSIBILITIES

Optimas expects Suppliers to provide products and/or services which must:

- Comply with established specifications.
- Comply with engineering specifications.
- Comply with material specifications.
- Conform to supplied drawings.
- Meet common industry standards not explicitly called out in specifications.
- Meet applicable governmental and regulatory requirements.
- Comply with Optimas Supplier Code of Conduct.
- Comply with the requirements outlined in this Manual.

1.4 SUPPLIER CODE OF CONDUCT

Optimas values our global supply partners who share Optimas' commitment to quality and continuous improvement, and who operate under a philosophy that focuses on integrity. Compliance with this Supplier Code of Conduct, and Optimas' Supplier Manual is required to do business with Optimas. This Code of Conduct outlines Optimas' minimum expectations that all Suppliers will comply with certain business and ethical standards and with all applicable laws, rules and regulations of their respective countries. This Code of Conduct applies to all businesses that supply goods or services to Optimas.

Suppliers are required to take steps to ensure that this Supplier Code of Conduct is communicated throughout their organization and supply chain as applicable.

The Supplier Code of Conduct is available on the Optimas Website through its search function.

Optimas expects their suppliers to be compliant with the following:

1. United Nations Universal Declaration of Human Rights.
2. The 10 principles of the United Nations Global Compact.
3. The International Labor Organizations Fundamental Conventions.
4. The Guiding Principles of the Organization for Economic Co-operation and Development (OECD).
5. The Core Conventions of the International Labor Organization (ILO).
6. The rules of conduct of the International Chamber of Commerce (ICC).
7. The UK Bribery Act 2010.
8. The US Foreign and Corrupt Practices Act.
9. The UK Modern Slavery Act 2015.

10. The US Frank-Dodd Act (Conflict Minerals).

11. European Regulation (1907/2006/EC) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).

12. Any other relevant international convention and national and local regulations applicable to their activities in the country or countries in which they operate. For example, we would expect US based suppliers to comply fully with all applicable legislation including US Federal Acquisition (FAR) final ruling on Combating Trafficking in Persons (52.222- 50).

Slavery, Human Trafficking and Forced Labor.

The Supplier shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations [and codes] from time to time in force in any part of its supply chain. This includes, but is not limited to, not supporting or engaging or requiring any forced labor, the use of child labor, bonded labor, indentured labor, or prison labor.

Human Rights.

The Supplier shall comply with all internationally recognized human rights understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work from time to time in force in any part of its supply chain.

Equal Opportunities.

Optimas is an equal opportunity employer. The Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any employment practice on the basis of race, color, national origin, gender, gender identity, sexual orientation, religion, age, marital or pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job subject to any accommodations required or permitted by law.

Freedom of Association and Collective Bargaining.

The Supplier shall respect, and shall not interfere with, the right of workers to decide whether to lawfully associate with groups of their choice, including the right to form or join trade unions and to engage in collective bargaining.

Working Environment.

The Supplier shall:

(a) provide a safe, healthy, and sanitary working environment and comply with all applicable health and safety laws and any other relevant laws where it operates; and

(b)not support or engage in or require any hazardous labor to be performed by any person under the age of 18. Hazardous labor involves any work that by its nature or the circumstances in which the work is undertaken involve the substantial risk of harm to the safety or health of the worker if adequate protections are not taken.

Wages and remuneration.

The Supplier must compensate all workers with wages, including overtime premiums, and benefits that at a minimum meet the higher of:

- (a)the minimum wage and benefits established by applicable law;
- (b)collective agreements;
- (c)industry standards; and
- (d)an amount sufficient to cover basic living requirements.

Information Security and Data Protection.

Without prejudice to the agreement(s) between Optimas and the Supplier, the Supplier shall have in place appropriate measures to:

- (a)protect the integrity and confidentiality of information (including information belonging to or supplied by Optimas) held on its systems (which include physical and online or electronic systems); and
- (b)ensure that there is no unauthorized access of the information by third parties, including its Associates. The Supplier shall comply with all data protection laws and requirements when processing any personal data on Optimas behalf.

Environmental Responsibility.

The Supplier shall ensure that:

- (a)its operations comply with all applicable environmental laws, including laws and international treaties relating to (but not limited to) climate change, waste disposal, emissions, discharges and hazardous and toxic material handling;
- (b)the goods it manufactures (including the inputs and components that it incorporates into its goods) comply with all environmental laws and treaties; and
- (c)it will only use packaging materials that comply with all applicable environmental laws and treaties.

The Supplier shall have in place a suitable environmental management system for managing its environmental risks. As a minimum, the system should include and address the following:

- (a) an assessment of the environmental impact of all historical, current and likely future operations.
- (b) steps to continuously improve environmental performance, reduce pollution, emissions and waste.
- (c) measures to reduce the use of all raw materials, energy and supplies; and
- (d) raising awareness and training employees in environmental matters.

Bribery and Corruption.

The Supplier must maintain the highest ethical standards and shall comply with all applicable laws, statutes, [codes] and regulations relating to the prevention of bribery and corruption. To that end, the Supplier shall not accept, offer, promise, pay, permit or authorize:

- (a) bribes, facilitation payments, kickbacks or illegal political contributions.
- (b) money, goods, services, gifts entertainment, employment, contracts or other things of value, in order to obtain or retain an advantage; and
- (c) any other unlawful or improper payments or benefits.

Unfair Business Practices.

The Supplier shall comply with all applicable competition laws including but not limited to those relating to teaming and information sharing with competitors, price fixing, and rigging bids.

Sourcing and Managing of Associates.

When assessing the Supplier's performance against the requirements set out in this Code of Conduct Optimas shall consider the risk profile of the transaction, the Supplier's ability to comply with the requirements and the consequences where the Supplier fails to meet those requirements. The Supplier shall carry out appropriate due diligence of its prospective Associates that will form part of Optimas 's upstream supply chain. As a minimum, due diligence should include the following:

- (a) investigations into prospective suppliers' stance, public statements, compliance with applicable laws and other actions on human rights, treatment of workers, bribery, ethical behavior and the environment; and
- (b) risk assessments for countries from which materials, components, or finished goods are sourced.

When dealing with Associates, the Supplier shall:

- (a) ensure that all agreements with Associates include provisions that require the Associates to comply with applicable provisions of this Code.

(b)ensure that it has measures to monitor that those Associates are complying with those compliance-related provisions; and

(c)pay its Associates promptly, respecting the agreed payment terms.

Training.

The Supplier shall implement a system of training for its employees and Associates to ensure that they are aware of the requirements of this Code. The Supplier shall keep a record of all training offered and completed by its employees and Associates and shall make a copy of such record available to Optimas on request.

Self-Monitoring, Proof of Compliance and Audit.

The Supplier shall monitor its compliance with the Code and shall report any violations (actual or suspected) of this Code as soon as possible to Optimas. The Supplier shall provide any certifications that are required to demonstrate compliance with all applicable laws and frameworks within 30 days of a written request from Optimas. The Supplier shall not retaliate or take disciplinary action against any Supplier employee or Associate that has, in good faith, reported violations of this Code or questionable conduct, or who has sought advice regarding this Code. The Supplier shall provide written confirmation to Optimas at least once per year that:

(a)it has appropriate systems in place to ensure its [and its Associates'] compliance with this Code; and

(b)it is able to comply with this Code for the duration of its relationship with Optimas. In addition to the written confirmation, Optimas may conduct audits to verify the Supplier's compliance with this Code. Optimas has no obligation to conduct such audits.

Breach, Remediation, and Termination.

Where Optimas becomes aware of any violation (actual or prospective) by the Supplier or its Associates of the Code, Optimas may:

(a)immediately upon written notice terminate its business relationship (including any purchase orders and purchase contracts) with the Supplier; or

(b)require the Supplier to produce a remediation plan that will lead to compliance with the Code and present it to Optimas within 28 days of being requested to do so. If the Supplier fails to produce the remediation plan within this timeframe or fails to implement it within a reasonable time, Optimas may immediately upon notice terminate the applicable agreements and/or commercial relationship with the Supplier (including any purchase orders and contracts between them). Optimas may in its absolute discretion provide the Supplier or its Associates with support and resources to assist with remediation. Optimas may also suspend the applicable agreements and/or commercial relationship with the Supplier while remediation is ongoing. Suppliers are required to take steps to ensure that

this Supplier Code of Conduct is communicated throughout their organization and supply chain as applicable.

Suppliers must acknowledge receipt of the Optimas Supplier Code of Conduct, confirm that they have reviewed its content and agree to comply with the obligations set forth therein. By signing, the supplier confirms this acknowledgement and represents that they have the authority within their company to ensure compliance with the Code of Conduct.

1.5 QUALITY MANAGEMENT SYSTEM REQUIREMENTS

All Suppliers bound by this document must maintain a robust Quality Management System (QMS):

- **Automotive Suppliers:** Suppliers providing automotive products (Which are all subject to PPAP requirements) must maintain a Quality Management System that conforms to the latest revisions of relevant standards, specifically IATF16949 or VDA6.2. If a supplier is not certified to IATF16949 and / or VDA6.2 then, as a minimum, ISO9001 certification is required. All suppliers in this category shall progress toward IATF16949 certification.
- **All other suppliers:** Non-automotive suppliers (whether subject to PPAP requirements or not) must maintain a Quality Management System that is compliant with or certified to ISO9001. All suppliers in this category shall progress toward ISO9001 certification.

Suppliers must provide Optimas with proof of their registration certificates upon request and promptly communicate any changes in their certification status.

For suppliers not meeting minimum requirements, temporary approval may be granted after a successful system audit by Optimas personnel.

Optimas acknowledges that some suppliers may provide traded goods or catalog parts and services (commercial only). At its discretion, Optimas may designate these suppliers as “approved” without mandatory QMS registration. Records of suppliers exempt from QMS certification will be maintained.

All Optimas suppliers are expected to flow down the requirements of this Supplier Quality Manual to their sub-suppliers.

2 OPTIMAS SUPPLIER MANAGEMENT

2.1 SUPPLIER SELECTION

Our supplier selection process, consistent with ISO9001, IATF16949 and VDA6.3 requirements include:

- Evaluating strategic fit.
- Reviewing the supplier's quality management systems and certifications.
- Confirming suppliers' ability to meet our technical specifications and requirements.
- Reviewing historical performance for quality, delivery, and reliability.
- Signoff of Optimas Non-Disclosure Agreement (NDA).
- Obtaining competitively priced quotations.
- Conducting audits to verify compliance with industry standards and Optimas quality requirements.

These steps may occur simultaneously or sequentially, with the audit typically following a competitive quotation for new business.

2.2 SUPPLIER QUALIFICATION

Audits can result in one of three possible ratings: "A," "B," or "C," determined by the percentage score achieved during the evaluation.

A Rating	B Rating	C Rating
Approved Supplier – Can quote and be selected for new projects and business opportunities.	New Business Hold - While the supplier can still submit quotes, they are not eligible for new project selections. To regain eligibility and achieve an "A" rating, the supplier must submit a corrective action plan.	The supplier did not meet audit requirements and is currently ineligible to be granted new business. To be reconsidered, the supplier must submit an action plan, complete all corrective actions, and achieve an "A" rating in a re-audit.

2.2.1 Supplier Re-Qualification Audits

Following initial supplier approval, key suppliers, at Optimas discretion, are subjected to Triennial audits. These audits are conducted by Optimas personnel to validate the Supplier's vendor rating and to ensure their continued conformance to Optimas requirements.

2.3 SUPPLIER PERFORMANCE EVALUATION

High-impact suppliers are monitored using several Key Performance Indicators (KPIs); these KPIs are updated monthly and are reported to suppliers via The Company's Scorecard.

The KPIs and scoring are as follows; other KPIs may be added or modified in the future:

KPI	Measurement Period
• Acknowledgement Rate	Rolling 12 Months.
• On Time Delivery	Rolling 12 Months.
• On Quantity Delivery	Rolling 12 Months.
• Premium Freight Rate	Rolling 12 Months.
• Gap Buy Occurrence Rate	Rolling 12 Months.
• Piece Part Variance (PPV)	Rolling 12 Months.
• PPM	Rolling 12 Months.
• Vendor Incident Rate	Rolling 12 Months.
• PPAP Right First Time / On Time Rate	Rolling 12 Months.

All suppliers must measure and report their own internal quality performance and share results with Optimas upon request.

2.3.1 Supplier Improvement Program (S.I.P.)

The Optimas Supplier Improvement Program (S.I.P.) is a Supplier Development Process designed with two purposes in mind:

1. To proactively develop suppliers identified as having the potential to become strategic partners.
2. To Improve suppliers whose performance has fallen below our expectations.

Whether suppliers are identified for development or due to poor performance, the SIP applies in the same way:

1. DEFINE
 - Areas of opportunity / to be developed.
 - The problem areas relating to the suppliers@ poor performance.
2. MEASURE
 - Suppliers' current performance in the areas identified in Step #1.
3. ANALYSE
 - The data measured to identify specific areas for improvement.
4. IMPROVE
 - Working capital restrictions that inhibit business growth (i.e., inventory) and introduce cost reduction/rebate programs.
5. CONTROL & SUSTAIN
 - Introduce specific SMART KPIs to monitor suppliers' performance going forward to ensure no deterioration following S.I.P. closure.

NOTE: A full detailed outline of the complete S.I.P. program can be found in the [Optimas S.I.P. Handbook available via the Optimas Website](#). Please contact your Optimas purchasing contact for detailed information on this process.

2.4 CONTINUOUS IMPROVEMENT

Continuous Improvement is an essential element of long-term business success for Optimas Solutions and for its Suppliers. To remain competitive, Optimas Solutions and its Suppliers must recognize the requirement to find effective ways to eliminate waste and reduce the cost of our products. All Suppliers are expected to constantly examine and optimize the entire cost structure of their business and the products supplied to Optimas Solutions. This includes process improvements, cycle-time reduction, scrap reduction, die/tooling set-up reduction, design improvements, fixed and variable overhead reduction, transportation, etc. To ensure proper review and validation of Suppliers' design and process improvement ideas, Suppliers must strictly comply with Optimas Solution's change management requirements for all design and process change proposals.

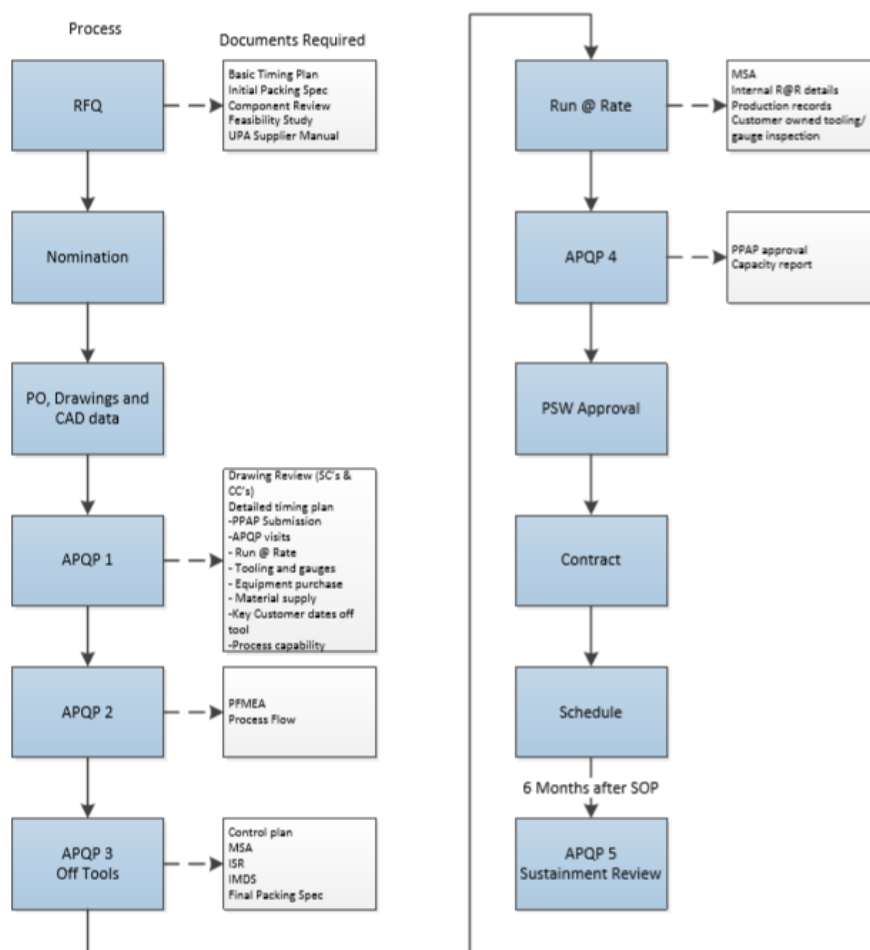
3 QUALITY SYSTEM PROCESSES

3.1 QUALITY PLANNING

As an IATF16949 and ISO9001 accredited company, Optimas follows the guidelines set out in the Advanced Product Quality Planning (APQP) and Control Plan reference manual issued by AIAG, latest edition, and would expect suppliers to do the same when planning for automotive production supply. By following the AIAG manuals, suppliers will align with most, if not all, of Optimas' processes.

A product cannot be released for serial production until the APQP process has been completed and PPAP, or in some cases, an ISIR, has been approved.

Shown below is a sample APQP process. All APQPs conducted by Optimas will follow this pattern; however, they may not be an exact replica of what is seen below. This model is to guide suppliers who possibly have not been through the APQP process with Optimas before and/or are unsure what may be required at each stage.



3.2 PRODUCTION PART APPROVAL PROCESS (PPAP)

Optimas Part Approval Process for automotive products closely follows the guidelines set out by AIAG. PPAP stands for Production Part Approval Process. It is a standardized process in the automotive and aerospace industries to ensure that the design and production processes for parts meet the customer's specifications and quality requirements before mass production begins. The goal of PPAP is to establish confidence in the supplier's production processes and capabilities.

Any time Optimas indicates a part requires PPAP approval, it is meant to comply with the automotive definition of such form.

3.2.1 PPAP

Each part will be subject to a risk assessment by Optimas' SDE to determine which level of PPAP submission is required unless Optimas' customer has defined the level of PPAP submission they require. When a PPAP has been submitted and approved, it is only valid for the part number, revision, raw material source, process line, equipment and manufacturing site used. Any changes to this will require a PPAP re-submission to verify all parts and processes are still within specification.

For some customers an ISIR is required in place of a PPAP. In such instances the purchase order issued to the supplier will define the content required in the ISIR and the required submission date.

3.2.1.1 *Reasons for PPAP Submission*

PPAP submission is required for any one or more of the following conditions.

- New production or service part.
- Any change in the production process, production equipment, process controls, or manufacturing location.
- If production of the part has been dormant for more than twelve (12) months.

3.2.1.2 *Part design change: initiated by either Optimas' customer or the supplier.*

- Correction of a discrepancy on previously approved material.
- Use of material that is different from that used in a previously approved part.
- Tooling that is new, modified, refurbished or replaced, or tooling that is transferred to other locations.
- Change in sub-supplier for parts or services.
- Parts that have not shipped to Optimas for more than 4 years.
- Parts produced at an additional location

NOTE: For all covered in 3.2.1.2 a formal change request (SCR or similar) must be made by the supplier if they instigate the change.

3.2.1.3 *Submission Levels*

Your quality contact will designate the required submission level for PPAP. In the absence of information, a level 3 PPAP is the standard requirement.

3.2.1.4 Submission

Optimas will issue the Optimas PPAP or ISIR workbook upon request. Optimas will verify the Supplier 's completed PPAP or ISIR documentation during the APQP process, when PSW approval is issued the parts will be released to purchasing for contracts to be raised.

3.2.1.5 Parts Control

Production may be observed by Optimas' SDE for a run of, typically 300 parts, under production conditions or as defined by Optimas quality for low volume projects. On completion of this run at rate' key characteristics of the parts produced will be measured and capability studies performed by the Supplier to give a Ppk value.

3.2.1.6 Safe Launch

Suppliers may be required to initiate a Safe Launch process for Optimas' new projects/components. The Safe Launch process requires 100% inspection of all key characteristics (CC or D, SC or W, HIC and PTC) on each of Optimas' components until such time as designated by your quality contact; the minimum requirement is for 3 consecutive lots to be inspected and supplied to Optimas 100% defect-free (quantity agreed with Optimas' SD for low volume) If any NOK parts are found during this inspection, then the count must be restarted from zero (0).

Note: For projects with multiple parts, the 1000 consecutive OK parts apply to each individual part number.

3.2.1.7 Annual Revalidation

Suppliers may be required to revalidate the functional and dimensional requirements for all production parts every 12 months on the anniversary of the PPAP /ISIR sign-off. The Suppliers will hold these records for Optimas to inspect and verify at any time.

3.2.2 Non-Conforming Products and Services

If a product quality concern is identified at Optimas or the customer of Optimas where the root cause can be identified because of a supplied part non-conformance, the supplier shall give reasonable support to Optimas until the concern is resolved. This includes but is not restricted to on-site defect review, containment, engineering support, or testing evaluation.

3.2.3 Product Non-Conformance & Corrective Action Management

Optimas suppliers, when requested, will be expected to support on-site concerns that create a supply disruption at either Optimas or the customer site(s). Costs incurred by Optimas due to supplied material non-conformance, will require reimbursement from the supplier. Optimas will communicate concerns via a SCAR (Supplier Corrective Action Report) notification. Optimas requires the following for effective problem reporting/resolution:

- Within 24 hours of the concern receipt, the supplier will send details of: -
 - a) Product description, manufacturing date, lot/batch numbers affected
 - b) Scope of the problem – whether replacements are needed
 - c) Assistance required
 - d) Send samples of conforming parts if practical
 - e) Contain product at their location to determine whether the reported product meets the required standards.

- Within 15 business days of the reported concern, the supplier must provide Optimas with an 8D report detailing the corrective action status when requested by Optimas.
- Within 25 days of notification of the concern, the expectation is that the supplier will provide details of the countermeasure verification and suitability of the corrective action applied. When deemed necessary, Optimas may visit the suppliers' site to confirm and validate reported countermeasures. If the countermeasure suitability or verification cannot be confirmed within the 25-day time frame, Optimas expects suppliers to notify Optimas of quality and request an extension.

3.2.4 Non-Conformances – Charges:

Costs incurred which are directly attributable to a supplier's non-conforming product and or logistics performance are the responsibility of suppliers. Costs may include but are not limited to administrative costs, sorting or rework, premium freight, loss of productivity (line stops), scrap and others.

3.2.5 Controlled Shipping (CS1 and CS2)

In the event of recurring non-conformances where the corrective action plan has failed, Optimas Solutions reserves the right to issue a Controlled Shipment (CS) program at the Supplier's site (or third-party site) for specified Products and at the Supplier's expense.

CS1 includes, but is not limited to:

- 100% sorting/inspection of the Products in an area outside of normal in-process inspection, which shall be carried out on every shipment/part/lot/batch prior to shipment.
- Sorting/inspection records to be sent with each shipment/lot/batch.
- Supply of data and documentation on the products, upon request.
- Identification (sticker, tag, mark, etc.) of certification on bin/box/carton shipped.

To safeguard Optimas Solutions interest, if there is a failure to successfully achieve CS1, it will be escalated to CS2 at the discretion of Optimas quality leadership.

CS2 includes, but is not limited to:

- All CS1 measures listed above will be inspected by an Optimas Solutions designated 3rd party or by Optimas Solutions (at the Supplier's expense).
- Blocking of new business, subject to the sole and final decision of Optimas Solutions.
- Any additional requirements deemed necessary by Optimas Solutions

Exit from CS1 and CS2 will be determined by Optimas Solutions when set criteria are met and corrective actions are implemented and validated.

3.3 CHANGES IN PRODUCT OR PROCESS (DEVIATION/CONCESSION)

Any instance of shipment and use of a product that is non-conforming requires approval from Optimas Solutions. The Supplier shall not ship such product unless and until it has sought and received approval from Optimas Solutions via a Deviation request. In these cases, the Supplier will need to provide supporting data and request approval for the deviated material. This data may include, but not be limited to, dimensional/test information, Control Plan, PFMEA, number of parts

affected, clean date of complying product, 8D report, and action plan. The data will be analyzed and reviewed by Optimas Solutions for its impact to the form, fit, and function of the product prior to shipment.

3.4 APPLICATION FOR CONCESSION / DEVIATION

Suppliers must ensure that all products shipped to Optimas meet the specified requirements. If a part does not conform to specifications or undergoes a change affecting its fit, form, or function, a formal request for deviation or concession must be submitted to Optimas Quality staff, and written approval must be obtained before shipping any goods.

Suppliers must immediately inform Optimas of any plans to deliver goods deviating from specifications. All Concession/Deviation requests must include:

- Part number and description
- Relevant drawing specifications and issue-level
- Details of the non-conformity
- Quantity of goods or volume of materials affected
- Root cause of the non-conformity

A Corrective Action Plan (or interim plan) must be submitted within 48 hours of notification, including a timeline and assigned responsibilities. Relevant supporting data should also be provided.

Concession requests must be formally submitted to the appropriate Optimas Quality personnel using either the supplier's own concession form or a specific customer document provided by Optimas. Suppliers are responsible for confirming the preferred format.

3.5 PRODUCT SAFETY AND CONFORMITY

As a global fastener distributor, we know the smallest parts can have a big impact on product safety. Integral to our organization's business and profit strategy is the strong respect for product safety rules, compliance with legislation and a constant drive to achieve the highest standards in all our operations.

Our product safety strategy is built on 3 pillars:

Communication and Relationships

The responsibility for product safety is upheld not only by Optimas, but by our partners and suppliers as well. We ensure all our partners and suppliers understand their role and responsibilities towards product safety standards through clear and open communication. We encourage all parties to report any product safety concerns that arise during any phase of the product or sales life cycle. This starts by promoting a clear understanding of customer requirements.

Conforming to Regulatory Standards

Robust quality is an essential building block of product safety. We ensure that all manufacturing processes used by our partners are all compliant with legal, regulatory and industry requirements.

Through efficient FMEA reviews (A key element of our supplier APQP process), we assess risk and instigate appropriate action with the help of our suppliers to minimize any product safety impact.

Empowerment

The Optimas Product Safety and Conformity Representative (PSCR) is accountable for empowering the entire Optimas employee population by increasing awareness of the impact their daily job has on product safety. The PSCR also regularly conducts proactive surveys on recall action to avoid potential risks with similar products delivered by Optimas.

Optimas suppliers shall have a documented process for the management of product and manufacturing process related to safety. The focus here is to ensure the elimination of safety related products, process defects at the development and manufacturing phases.

A Product safety and conformity representative (PSCR) should be identified and communicated to Optimas, and evidence of competence in this role should be available and communicated to Optimas if requested, preferably by submission of a formerly recognized PSCR training certificate.

3.6 DOCUMENT RETENTION/CONTROL

Suppliers of Optimas are expected to maintain appropriate controls for documents related to the business. Specifically, technical documents that do not relate to safety related features; the minimum requirement is 10 years. For all other documents that are safe or defined as referencing critical characteristics, the retention period is 18 years after the end of production.

Suppliers are to ensure that documents are archived in a manner where they can remain damage free and accessible to Optimas if required.

4 RISK MANAGEMENT AND CONTINGENCY PLANNING

4.1 BUSINESS PLANNING

Optimas expects suppliers to engage in comprehensive business planning to ensure stable and reliable operations. This includes setting clear objectives, resource allocation, performance monitoring, and continuous improvement practices. Suppliers should align their business strategies with Optimas' goals to ensure mutual growth and success. Regular reviews and updates of business plans are encouraged to adapt to changing market conditions and operational challenges.

4.2 RISK MANAGEMENT AND CONTINGENCY PLANNING- CONTINUITY OF SUPPLY

Optimas suppliers must develop a risk management process that addresses internal and external concerns, specifically ensuring the timely supply of products in the correct quantity and quality. Periodic risk management reviews are expected, and supporting records must be maintained.

4.3 DISASTER RECOVERY AND INFORMATION SECURITY

Suppliers must have written business continuity and disaster recovery plans appropriate to their size, industry, and volume of business. These plans should outline roles, responsibilities, and procedures to ensure continuous supply to Optimas during operational disruptions. Key areas to address include the loss of key personnel, facilities, equipment, and information technology.

Suppliers must have in place industry-minimum-standard information security protocols. These include (at minimum) email protection, endpoint protection, software and hardware firewalls, and data protection (including password policies and access controls).

At the request of Optimas or Optimas' customers, certain suppliers may be required to respond to information security questionnaires, provide evidence of information security programs, or participate in business continuity and disaster recovery testing, training, and exercise activities at mutually agreed times. Should Optimas evaluate a supplier's continuity of supply/disaster recovery plans and find them lacking, the supplier shall commit to work toward identified continuity and recovery readiness goals.

4.4 INSURANCE REQUIREMENTS

All suppliers shall obtain and maintain, at their sole expense, a policy or policies of products liability insurance, with broad form vendor's endorsement, with policy limits adequate considering the size and nature of supplier's business and acceptable to Optimas, and such other policies of insurance and Optimas and/or Optimas' customers may from time-to-time reasonably request. These insurance policies must name Optimas an additional insured and cover nonconformance of parts sold to Optimas. All such policies shall provide that the coverage thereunder shall not be terminated without at least thirty (30) days' prior written notice to Optimas, and the supplier shall provide certificates of insurance to Optimas annually.

5 PURCHASING AND DELIVERY

5.1 REQUEST FOR QUOTATION

Suppliers will be invited to participate in the Request for Quotation (RFQ) process, where they will be asked to provide pricing, delivery timelines, and other relevant details for the products or services requested by Optimas.

5.2 MASTER SUPPLY AGREEMENT AND TERMS OF PURCHASE (Ts & Cs)

At Optimas' discretion, suppliers will be requested to sign a Master Supply Agreement (MSA) that outlines their relationship with Optimas. For all other suppliers, the terms of the relationship with Optimas will be governed by the Terms and Conditions of Purchase.

The MSA and Ts & Cs standard terms are available via the [Optimas Website](#).

5.3 ORDERS AND SCHEDULES

Optimas will issue purchase orders and delivery schedules/due dates to suppliers. Suppliers are expected to acknowledge receipt and confirm their ability to meet the specified requirements and timelines.

5.4 ADVANCED SHIPPING NOTICE (ASN)

Suppliers must provide an Advanced Shipping Notice (ASN) prior to the shipment of goods. The ASN should include details such as shipment date, contents, and expected delivery date to ensure smooth receiving and inventory management.

5.5 ELECTRONIC DATA EXCHANGE (EDI)

Optimas encourages the use of Electronic Data Exchange (EDI) for seamless communication and data transfer. EDI facilitates the efficient exchange of documents such as purchase orders, invoices, and shipping notices, improving accuracy and reducing processing time.

5.6 DELIVERIES

Suppliers are responsible for ensuring timely and accurate deliveries per the agreed schedules. All deliveries must comply with Optimas' packaging and labeling requirements to ensure proper handling and inventory control upon receipt.

Early shipment of purchase order items, unless agreed in advance with the supply chain team, shall only start the payment days process from the originally agreed due date and may be subject to early stocking fees.

6 PACKAGING AND SHIPPING REQUIREMENTS

6.1 GENERAL PACKAGING REQUIREMENTS

Optimas and its suppliers shall work together to agree on the scope and details for delivering components to Optimas warehouses in suitable packaging. This scope shall include size, quantity, weight, and packaging materials.

Optimas responsibilities are to:

- Recommend and approve preferred packaging.
- Specify standard labelling and shipment documentation.
- Identify the minimum requirements upon receipt of goods.

Optimas labelling and shipping requirements, including regional and country-specific requirements, are available on the Optimas Website.

The Supplier's responsibilities are to:

- Ensure all guidelines are understood and followed.
- Ensures compliance with Optimas packaging policy at all locations.
- To ensure quantities shipped are accurate.

7 INVOICING AND PAYMENT PROCESSES

7.1 INVOICES AND PAYMENT TERMS

Invoices must be submitted electronically through the Optimas supplier portal or via email to the designated accounts payable contact. Each invoice should include the following information:

- Supplier name and contact details
- Optimas purchase order number
- Description of goods or services provided
- Quantity and unit price of each item
- Total amount due
- Payment terms as agreed in the contract

Standard payment terms are Net 90 days from the invoice receipt date unless otherwise agreed upon in writing. Invoices not including the required information may be returned to the supplier for correction, potentially delaying payment.

7.2 PAYMENT DISCREPANCIES

In the event of a payment discrepancy, suppliers should notify their Optimas accounts payable contact immediately. The notification should include:

- Invoice number and date
- Description of the discrepancy (e.g., incorrect amount, missing payment, overpayment)
- Supporting documentation, if applicable

Optimas will review the discrepancy and respond within 10 business days. If a correction is necessary, Optimas will adjust the payment in the next payment cycle. For unresolved issues, suppliers may escalate the matter to their Optimas strategic sourcing partner.

8 PRODUCT REGULATORY COMPLIANCE

8.1 ENVIRONMENTAL COMPLIANCE AND SUSTAINABILITY

Optimas is committed to environmental sustainability and expects all suppliers to adhere to applicable environmental laws and regulations. Suppliers must ensure that their products, processes, and services comply with all relevant environmental standards, including proper waste management, reduction of emissions, and the use of eco-friendly materials. Continuous improvement in environmental performance is encouraged, and documentation of compliance efforts should be provided upon request.

Optimas locations worldwide may be governed by different environmental compliance standards. However, most customers request a standard grouping of compliance requirements. Effective communication of product environmental compliance is critical.

For any questions or concerns, please contact your Optimas strategic sourcing partner.

8.2 GENERAL GUIDELINES

- All parts must adhere to compliance regulations and laws for the product's country of origin, destination country requirements, and any specific requirements requested at the time of the quote. Any deviations must be communicated and approved by Optimas at the time of the quote.

8.2.1 Supplier Expectations:

- Utilize business processes that prevent waste and promote efficient use of resources.
- Ensure water discharges are minimized or eliminated and reduce water consumption.
- Use recyclable materials and reuse materials where applicable.
- Implement policies to reduce greenhouse gas emissions.
- Obtain energy from renewable sources or lower-impact resources wherever practical.

- Clearly identify any exceptions on the quote if it is impossible to meet these requirements.
- A compliance declaration should accurately reflect the product being supplied. If the product is not compliant, provide detailed substance information for Optimas to review with customers.
- Be able to provide a statement of Environmental Compliance for products purchased within three years of request.
- Respond to compliance requests within 30 days.

8.3 ENVIRONMENTAL COMPLIANCE REGULATIONS

The following regulations are commonly applicable to our company, although this list is not exhaustive:

REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals)

REACH is an EU regulation aimed at protecting human health and the environment from chemical risks while enhancing the competitiveness of the EU chemicals industry. Suppliers must communicate any Substances of Very High Concern (SVHC) over the stated threshold based on the current declaration list and provide a declaration of compliance with Annex XIV, XVII, and Article 33. REACH SVHC lists are updated twice a year, and Optimas needs to ensure compliance with the latest lists.

RoHS (Restriction of Hazardous Substances)

RoHS restricts the use of hazardous substances in electrical and electronic equipment to reduce e-waste. Optimas requires suppliers to provide a RoHS declaration for all products, including applicable exemptions, using the correct exemption number. Noncompliant substances must be specifically declared for Optimas to address with customers.

WEEE Directives (Waste from Electrical and Electronic Equipment)

WEEE compliance encourages the design of electronic products with recycling and recovery in mind. RoHS regulates hazardous substances in manufacturing, while WEEE regulates the disposal of such equipment. Both regulations aim to minimize environmental impact.

California Proposition 65 (CP65) (Safe Drinking Water and Toxic Enforcement Act of 1986)

Proposition 65 requires warnings about significant exposures to chemicals that cause cancer, birth defects, or reproductive harm. Compliance information is required regardless of where the product is manufactured or shipped. A part is compliant if it does not require a warning label indicating the presence of harmful substances.

Conflict Minerals

The Dodd-Frank Act requires manufacturers to identify minerals (tantalum, tin, tungsten, gold) from the Democratic Republic of Congo (DRC) or adjoining countries and report to the SEC. Optimas requires suppliers to submit a Conflict Minerals declaration identifying 3TG smelters. Suppliers must adopt a Conflict Minerals Policy, conduct due diligence, transition to certified conflict-free smelters/refiners, and submit an RMI-compliant Conflict Minerals declaration annually.

Extended Minerals Reporting Template (EMRT)

Optimas requires an annual EMRT for parts containing cobalt and mica, supporting customer initiatives despite no current legal mandate. Suppliers are encouraged to review and implement this declaration.

Supply of Toxic and Hazardous Materials

TSCA (Toxic Substance Control Act):

TSCA, amended by the Frank R. Lautenberg Chemical Safety for the 21st Century Act, allows for the evaluation and restriction of chemicals posing unreasonable risks. Suppliers must adhere to TSCA restrictions and provide relevant information as required.

MSDS (Material Safety Data Sheets):

MSDS documents potential hazards and safe handling of chemical products. MSDS is required for applicable products or upon request at the time of the quote.

Traceability

Suppliers must identify Optimas products throughout the manufacturing process and in all inventory locations to mitigate the risk of nonconforming parts. Traceability systems should allow tracking back to specific lot numbers and associated records. Parts must be managed on a FIFO basis to ensure compliance with current specifications and prevent storage-related issues.

Government Contractors

For parts or services supporting the U.S. government, relevant Federal Acquisition Regulation (FAR) clauses are incorporated by reference. Suppliers must flow down applicable FAR clauses to sub-suppliers and raw material vendors.

Tariff Codes

Tariff codes classify traded products based on the Harmonized System (HS Codes). Optimas-designated HS Codes must be used on all cross-border documentation for Ex Works or FCA sales. Misrepresentation of HS Codes will result in penalties passed to the supplier.

Sanctions List

Suppliers may not use sub-suppliers in sanctioned countries. If unsure, suppliers must inquire with Optimas about the permissibility of sub-suppliers.

Country of Origin

Suppliers must provide country of origin information at delivery and upon request. The country of origin is where the part is formed into its final shape, not where secondary processes occur.

Carbon Data

To comply with increasing regulations surrounding emissions and CO₂ information, suppliers are required to capture the embedded emissions data at SKU level and supply the correct CO₂ value per part upon request, potentially on each Purchase Order. In addition, energy usage requirements will be collected periodically to support regulatory reporting.

8.4 DATA PRIVACY/DATA PROTECTION

Suppliers must maintain a written information security program consistent with industry standards to safeguard personal and confidential information. Supplier's data privacy policies must conform to all applicable data privacy regulations (E.G. GDPR and CCPA). Supplier consents to the collection, use, and transfer of personal information exclusively for conducting business with Optimas. Supplier authorizes third parties to receive and process this data and may request a list of such third parties. Refusal or withdrawal of consent may affect our ability to do business with the supplier.

For more information on the consequences of refusing or withdrawing consent, suppliers can contact:

Optimas OE Solutions
Attn: Legal Department
Waterwells Drive
Gloucester, U.K. GL2 2FR

Record Retention

Optimas' customers may have specific record retention requirements which shall be communicated separately. Industry standards are included below:

- Automotive programs shall be maintained for a period of the program life plus fifteen (15) years.
- Medical programs shall be maintained for a period of the device's life plus one (1) year, with a minimum of two (2) years.
- Industrial, Public Safety and other non-specified industries shall be maintained for a period of five (5) years or industry standards retention timeframes, whichever is longer.

If supplier is uncertain of the industry in which their material will be used, they should contact Optimas for clarification/confirmation. For components provided to multiple industries, the longer retention requirements apply. Suppliers shall retain a sample of all returned materials/assemblies for a minimum of a two (2) year period to highlight problem areas and trends in the manufacturing process. Samples may also be utilized for further investigation of repeated issues.

9 DEFINITIONS AND ABBREVIATIONS

Abbreviation	Meaning
AIAG	Automotive Industry Action Group
APQP	Advanced Product Quality Planning
ASN	Advanced Shipment Notice
CAPA	Corrective Action / Preventive Action
CAR	Capacity Analysis Report
CC	Critical Characteristic
CFR	Cost and Freight
CIF	Cost Insurance and Freight
CIP	Carriage and Insurance Paid to
COB	Close Of Business
COSHH	Control Of Substances Hazardous to Health
CPT	Carriage Paid To
CQI	Continuous Quality Improvement
CS	Customer Specific
D	Danger
DAP	Delivered At Place
DDP	Delivered Duty Paid
DPU	Delivery at Place Unloaded
Direct Material	Purchased Components and assemblies (i.e. physical products).
EOM	End Of Month
EDI	Electronic Data Interchange
EMRT	Extended Minerals Reporting Template
EXW	Ex-Works
FAS	Free Alongside Ship
FCA	Free Carrier
FIFO	First In First Out
FOB	Free On Board
HIC	High Impact Characteristic
IATF	International Automotive Task Force

IMDS	International Material Data System
IP	Intellectual Property
IPPC	International Plant Protection Convention
ISIR	Initial Sample Inspection Report
ISO	International Organization for Standards
LTA	Long Term Agreement
MOQ	Minimum Order Quantity
MSA	Measurement System Analysis
MSA	Manufacturing Systems Audit
MSA	Master Supply Agreement
MSDS	Material Safety Data Sheet
NDA	Non-Disclosure Agreement
NPI	New Part Introduction
NOK	Not O.K. (Parts)
OEM	Original Equipment Manufacturer
OTD	On-Time Delivery
OTIF	On Time in Full
Outside Processing	Processes performed on direct materials by externally contracted services. These include heat treat, plate, patch, paint, optical sort, assembly, drilling, grinding. Many of these are designated by AIAG as “special processes.”
PCA	Permanent Corrective Action
PFMEA	Process Failure Mode Effects Analysis
PPAP	Production Part Approval Process
PPK	Process Performance Index
PPM	Parts Per Million
PSW	Part Submission Warrant
PTC	Pass-Through Characteristic
QAF	Quotation Analysis Form
R@R	Run at Rate
REACH	Restriction, Evaluation, Authorization, and restriction of Chemicals
RFQ	Request For Quotation
RFT	Right First Time

SC	Significant Characteristic
SC	Supply Chain
SD	Supplier Development
SCAR	Supplier Corrective Action Request
SDE	Supplier Development Engineer
SHE	Safety, Health and Environmental
SIP	Supplier Improvement Process
SMRC	Supplier Material Rejection Charge
SMRN	Supplier Material Rejection Notes
SOB	Start Of Business
SOP	Start Of Production
T&Cs	Terms and Conditions
VDA	Verband der Automobilindustrie e V. (VDA) (German Association of the Automotive Industry)
W	Warning
3T's & G	Tungsten, Tin, Titanium and Gold
8D	8 Discipline (Concern management & Problem Solving)

REVISION HISTORY

Revision Date	Description
August 2020	Initial Release
July 20, 2024	Manual overhaul; addition of supplier QMS system registration requirements and exceptions; Added section 5 (purchasing and delivery) and section 7 (invoicing and payment).
August 8 th , 2025	Updates to section 1.4 (Supplier Code of Conduct), & 3.5 (Product Safety & Conformity), and changes to Authorized Approvers.

AUTHORIZED BY

Approvers	Title	Signature	Date
Paul Williams	Director Supplier Development	<i>Paul Williams</i>	2025-08-05
Jeremy Clarke	VP Strategic Sourcing and Supply Chain, International	<i>Jeremy Clarke</i>	2024-08-05