

Customer's / BOCAR QMS Requirements

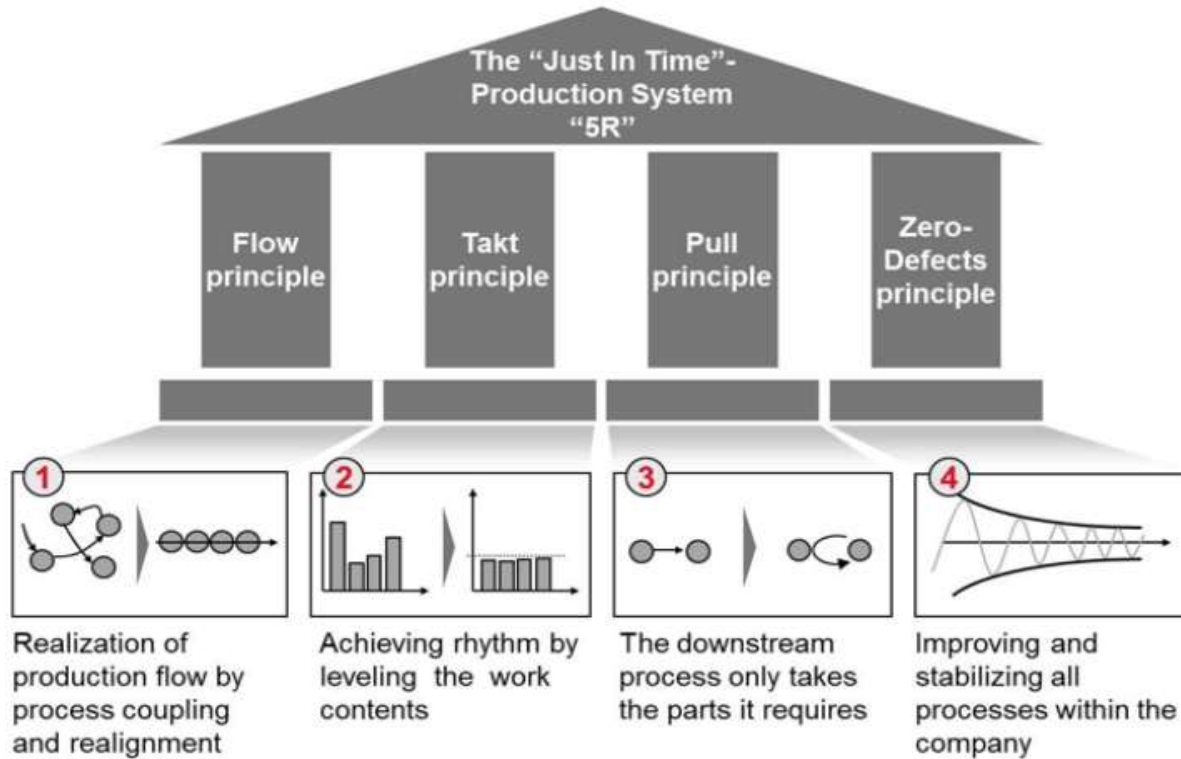
1. Introduction
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Suppliers are considered an integral part of the Quality System and supply chain.

The purpose of this training is to describe the Customer´s/BOCAR QMS requirements, in order to contribute to the achievement of the Bocar Group's Supplier Quality Policy.





1. The right Part
2. with the right Quality
3. at the right Moment
4. in the right Quantity
5. in the right Place

All suppliers must implement strategies to improve the products, processes or services offered to Bocar Group and its Customers (OEMs)

SCOPE

General application to Bocar Group suppliers.

VALIDITY

Since the assignment of a new supplier of direct/indirect material mentioned on these requirements or an existing supplier for new projects until the end of the product life cycle.



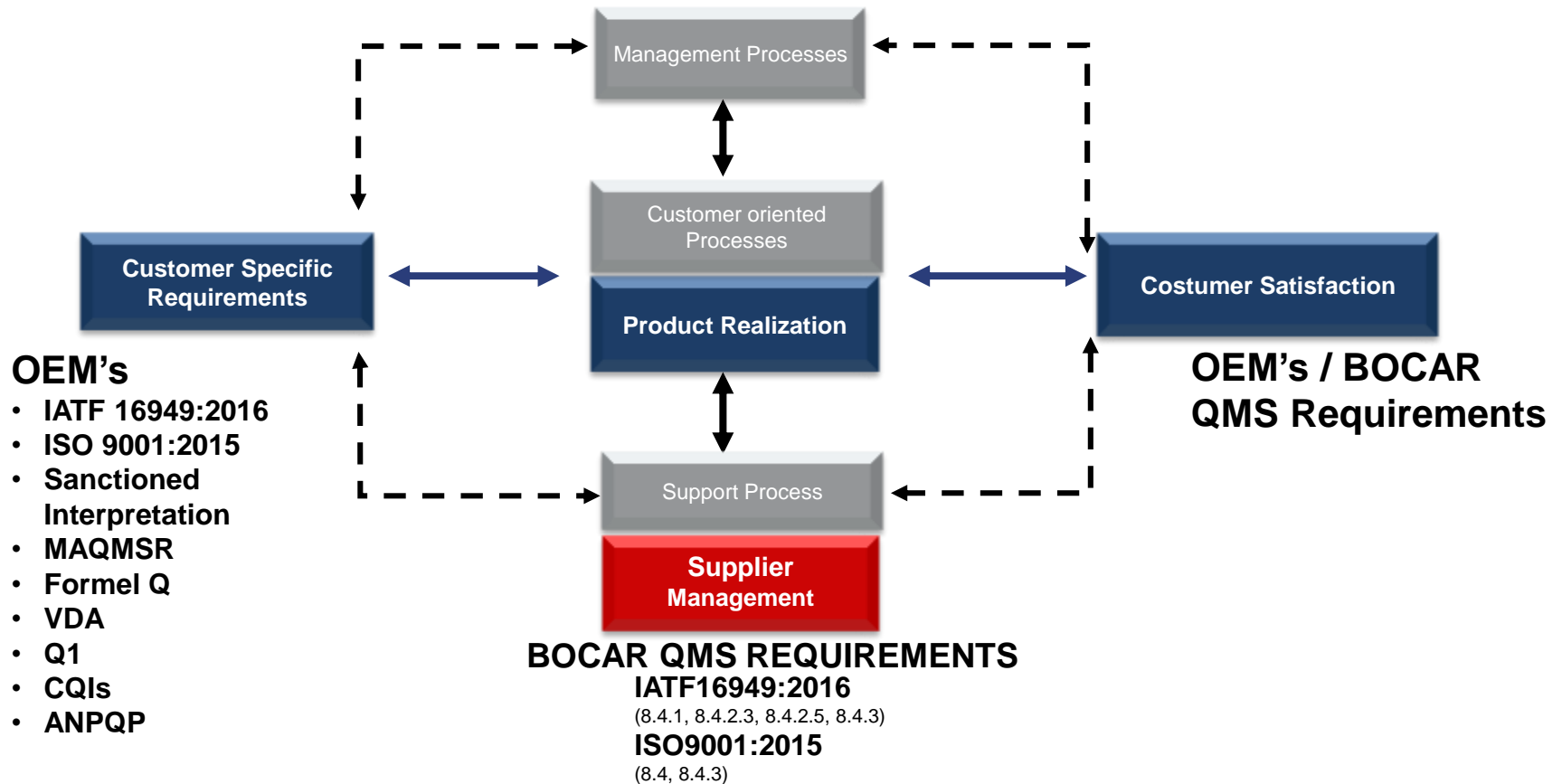
BOCAR GROUP requires that all its suppliers consistently strive for quality improvement, supply with zero defects, meet the highest safety standards in the supply chain and comply 100% with on-time deliveries, as well as cost reduction by the implementation of the Lean Manufacturing and the application of Kaizen (Continuous Improvement) as a work philosophy.

Customer's / BOCAR QMS Requirements



Automotive QMS Standard

The goal is the development of a quality management system that provides for continuous improvement, emphasizing defect prevention and the reduction of variation and waste in the supply chain



Customer's / BOCAR QMS Requirements

General Motors



- GM IATF 16949 Customer Specific Requirements
- GM BIQS
- PQP Supplier Requirements
- Run at Rate
- Early Production Containment Procedure
- Supplier Quality Statement of Requirements

**BMW
GROUP**

BMW

- BMW Group Customer Specific Requirements for IATF 16949:2016
- GS 90018 Requalification of product and process at suppliers



Nissan

- ANPQP



Toyota

- Toyota Supplier Quality Assurance Manual

Ford



- Ford Customer Specific Requirements for IATF
- PPAP 4.0 and Service PPAP 1.0
- Ford Q1 Manual
- Global Phased PPAP
- GPDS
- FMEA Handbook
- SREA process
- Capacity Analysis Report

FCA
FIAT CHRYSLER AUTOMOBILES

Stellantis

- FCA Customer Specific Requirements for IATF 16949
- FCA Customer Specific Requirements for use with PPAP 4th Edition & Service PPAP 1th Edition
- FCA Advanced Quality Planning (AQP) and Production Part Approval Process (PPAP)

**VOLKSWAGEN
GROUP**

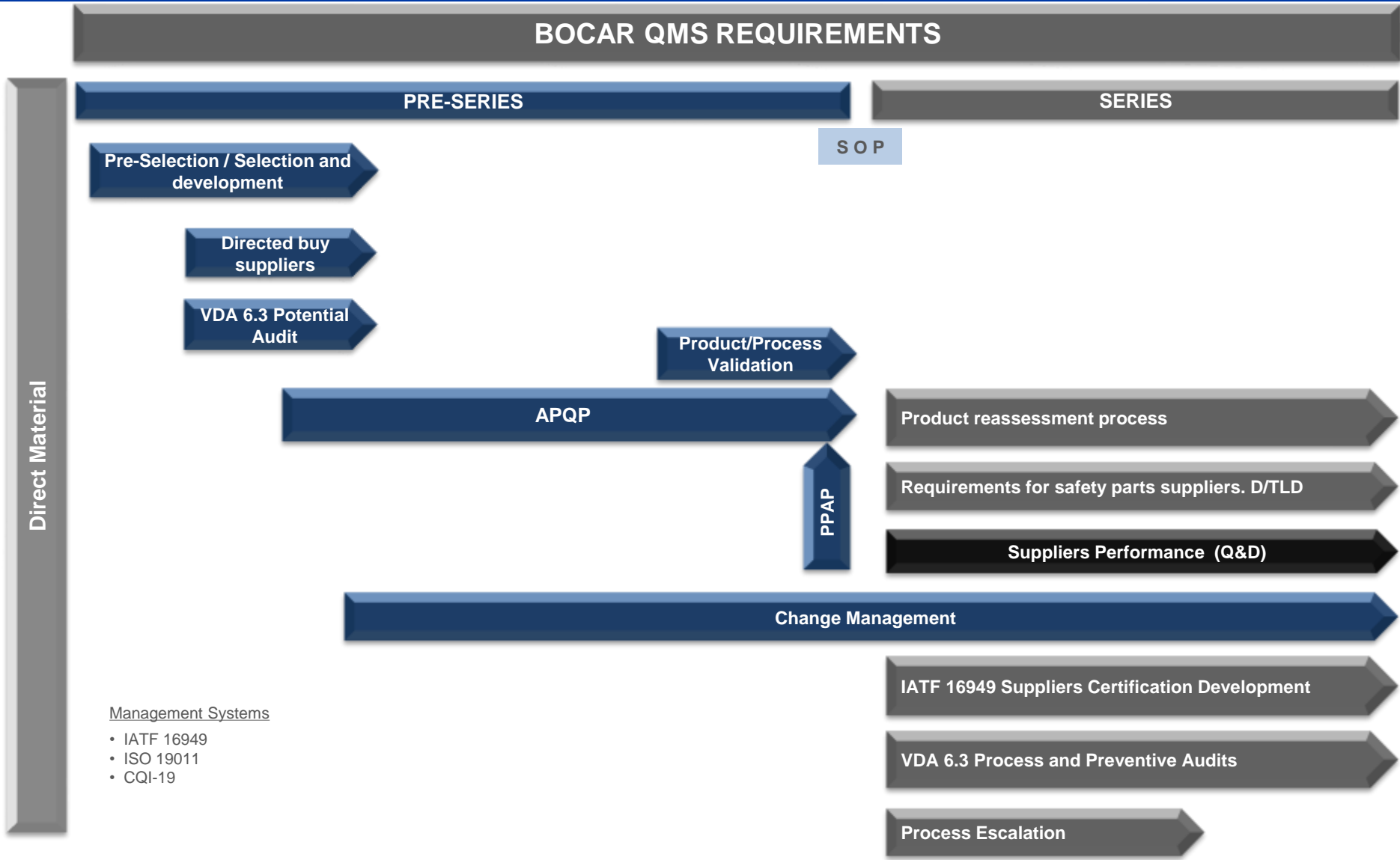
Volkswagen

- Volkswagen Customer-Specific Requirements for IATF 16949
- Formel Q New Parts Integral
- Formel Q Capability
- VDA 6.3
- VDA 6.5

<https://www.aiag.org/quality/automotive-core-tools>

<https://www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements/>

Supplier Management



The suppliers selection is carried out considering, among other things, the capacity of the supplier has to comply with BOCAR GROUP and OEM´ s requirements



INPUTS

- Purchasing Area Contact to Potential Suppliers (New/Existing)
- IATF16949 or ISO 9001 certification
- Feasibility analysis
- Potential Audit (VDA6.3 standard)
- Apply a risk assessment (Financial, Commercial)

Selection Process

OUTPUTS

Approved Supplier.
Supplier comply BOCAR GROUP Requirements

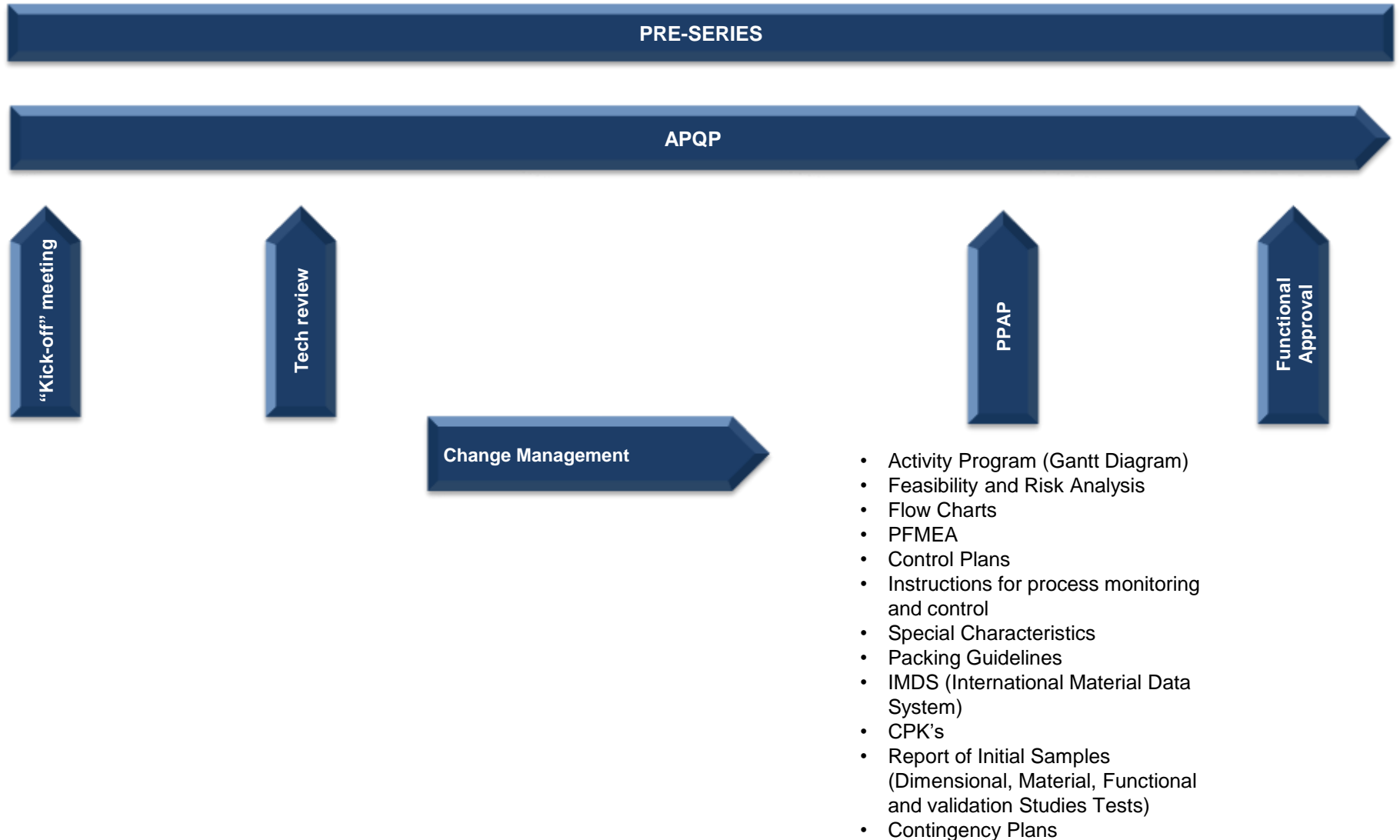
Supplier is assigned and authorized by the customer.

MPA (Multi Part Agreement)

- Responsible for Approval
- Warranty
- Customer Complaints
- Material Supply / Consignment
- Packaging
- Material Releases



DIRECT MATERIAL



SERIES

Product reassessment process

Suppliers must issue a reassessment report for the supplied parts, the frequency is according to Customers Specific Requirements or according with the Quality Assurance area of the corresponding plant of Bocar Group.

- Dimensional report
- Material tests report
- Special Processes Evaluation CQI-9, CQI-11, CQI-12, CQI-15, CQI-17, CQI-23

IATF 16949 Suppliers Certification Development

- Deliver to the Supplier Development area a copy of the new certificate in case of update or expiration.
- Current suppliers certified in ISO 9001 must develop, implement and improve their quality management system with the final objective of obtaining the IATF 16949 certification.

SERIES

Requirements for safety parts suppliers. D/TLD

For safety parts (e.g.: D/TLD), supplier must annually carry out a self-assessment and also provide the contact of the Product Safety Representative of the manufacturing site (PSCR).

VDA 6.3 Process and Preventive Audits

Second-Party Audits.
Bocar Group perform Process audits, Product Audit, MAQMSR and Customer Specific requirements.

Supplier performance (Q&D)

Performance Evaluation is carried out in a monthly basis considering Quality and Deliveries

THE GOAL: “A” Suppliers (90-100 points)

SUPPLIER PERFORMANCE EVALUATION CRITERIA				
QUALITY (50 points)			DELIVERY (50 points)	
Sub-Criteria	Points		Sub-Criteria	Points
- PPM's	15	+	- On Time Delivery	15
- Quality Claims	15		- Quantity	15
- Corrective Actions	10		- Required Documentation	10
- Sistema de Calidad IATF 16949 / ISO 9001	10 / 5		- Premium Freights	10

Classification	Score	Designation
A	$X \geq 90$ pts	Approved
B	$75 \geq X \leq 89$ pts	Regular
C	$X \leq 74$ pts	Critical

QUALITY (50 Points)

1) PPM'S (15 points)

Quality performance is evaluated depending on the product rejection rate and the material delivered during the period evaluated (defective parts quantity VS total quantity received at the plant). A score is awarded depending on the number of PPM's obtained as:

PPM's	Points
0	15
1 – 50	11
51 – 100	7
101 – 150	3
> 150	0

2) Quality claims (15 points)

The quantity of quality claims issued to the supplier is evaluated. For each claim, either at Bocar Group plant or its customers, there will be a demerit of 5 points.

QUALITY (50 Points)

3) Corrective Actions (10 points)

If the supplier has had a quality claim, a corrective action plan must be delivered within a period of no more than 9 working days or within a period agreed with Incoming Inspection personnel.

- Action plan delivered on time = 10 points
- Action Plan delivered late = 0

4) Quality System (10 Points)

The quality system evaluation is based on the level of maturity of your quality system, the lack of the certification will be the reason no points will be added to the score.

- IATF 16949 Certificate = 10 Points
- ISO 9001 Certificate = 5 Points

DELIVERY (50 Points)

1) On Time Delivery (15 points)

The delivery date and the scheduled delivery date are evaluated. If there is any variation, either for advancement or delay, the shipment will obtain a score according to the following table:

Concept	Score
Delivery According to Schedule	15
Early or Late Delivery	0

2) Quantity (15 points)

The quantity delivered and the quantity required for each shipment delivered are evaluated. The score will be obtained from the average of all the shipments delivered in the period.

Concept	Score
Quantity Delivered = Quantity Required	15
Quantity Delivered \neq Quantity Required	0

DELIVERY (50 Points)

3) Documentation (10 points)

It is evaluated that the supplier delivers the requested documentation, If there is any missing document, the shipment will obtain a score according to:

Concept	Score
Complete Documentation	10
Incomplete Documentation	0

4) Premium Freights (10 points)

Refers to materials delivered in a transportation other than the regular one, which require a shorter delivery time than agreed, for reasons imputable to the supplier of the material.

For each event (premium freight), will be detrimental to the supplier by 5 points.

SUPPLIER PERFORMANCE



Additional penalizations will be applied to the Final Score (Quality + Delivery) for affectations to Bocar Group's and/or its customer's processes.

Affectations (Claims)	Points
At Incoming Area of Bocar Group's Customer	-10
At Assembly Line of Bocar Group's Customer	-25
At Shipment Area of Bocar Group's Customer	-25
Customer of Bocar Group's Customer	-25
Dock Hold of Bocar Group's Customer	-25
Warranty	-10
Recall / Field actions	-50

Affectations (Delivery)	Puntos
Disruption to Bocar Group's production	-10
Disruption to Bocar Group's Customer production	-25
Premium Freight from Bocar Group to its Customer	-5

SERIES

Suppliers with a performance lower than 75 points during the month will be classified as critical suppliers:

Escalation Process

- Critical supplier - two consecutive months an escalation process will be initiated with the Supplier Development area.
- Critical supplier - three consecutive months an escalation process will be initiated with Corporate Purchasing area. Corporate Purchasing area will not assign new projects to series suppliers that are in an escalation process

Customer Complaints at Receiving Area, Bocar Manufacturing Process or OEMs

- Immediate response
- Define the selection or rework (internal/external)
- Provide selection criteria
- Containment monitoring
- Implement Containment Actions, 24 hrs.
- Report of Actions and Countermeasures”, no greater than 9 working days.

Customer Complaints at Receiving Area, Bocar Manufacturing Process or OEMs

- Time for the implementation and Validation of the corrective actions should be no greater than 30 days.
- Implications of Non-Compliant Products (Non Quality Costs - Administrative charges - which has a cost of \$ 300 USD per event. Selection and/or Re-work \$ 75.00 USD per man-hour, Stop Production Line, Rejection by BOCAR´ s Customers, Rejected Material, Premium Freights, Trials, Test, Process Audits due to Quality Defects, Warranties and/or Recalls.

The necessary services for the administration, operation and BOCAR GROUP production, but not applied directly to the finished product.

Suppliers:

- Machinery and/or equipment, tooling or devices
- Transportation services (land, sea or air)
- Customs broker services
- Warehouse services
- Calibration for equipment services
- Certified laboratories
- Chemical products (gases, hazardous waste, etc.)
- Packaging (designed for a specific product)
- Sorting and/or re-work services

CTPAT, OEA

Bocar Group requires from its Critical Business Partners to be in compliance with security requirements in order to Bocar Group delivers to their customers products that are free of contraband that may include any weapons, money or people, in order to mitigate the risk to the security of businesses and individuals.

Suppliers considered Critical Business Partners for their participation in Bocar Group's supply chain are:

- Customs Brokers
- Packaging
- Sorting and Rework
- Security Service
- Carriers

**QMS Manual for suppliers is available at:
www.bocar.com**

Thanks for your participation !!!

