

Königswinter, April 2024

Dear Supplier,

Your contribution to Maxion Wheels is vital to our success. We appreciate your continued partnership and commitment to maintaining high standards in our business relationship.

We are writing to inform you that our standardized global Supplier Performance Evaluation (SPE), introduced in 2018, has been revised and is now effective from January 2024 (visible from May 2024).

Reasons for Revision:

As a globally responsible organization, Maxion Wheels is committed to upholding the highest environmental and ethical standards. This is to ensure our business remains viable and sustainable, reinforcing our ability to manage our supply chain while navigating the ever changing and developing global economy.

To achieve this objective, we deployed the Supplier Sustainability Assessment CDP and SAQ 5.0 Program in 2022. These sustainability assessments require our suppliers to provide documentation covering various topics, including Environment, Health and Safety, Supplier Management, Working Conditions and Human Rights.

Since 2023, we have utilized Risk Management software to better monitor news and publicly available information related to our suppliers and main transport routes around the world, particularly focusing on identifying potential risks, especially those related to ESG. Potential requests for statements will be sent to you through the platform (currently Prewave) only when they are initiated by employees of Maxion Wheels. In such cases, your registration will be required (at no cost).

In addition to the Maxion Wheels Global Supplier of the Year Award, we have introduced a new supplier award category in January 2024, the "Green Wheel" – a Maxion Wheels Global Supply Chain Sustainability Award. This award recognizes suppliers who have demonstrated outstanding achievements in supporting our sustainability goals.

Alignment with Sustainability Goals:

As part of our ongoing efforts to align our business practices with global sustainability goals and to ensure adherence to robust governance standards, we have reviewed and updated our supplier evaluation criteria. These changes aim to promote supplier's sustainability performance and strengthen our partnerships with suppliers who share our commitment to ethical business practices.

The revised SPE will enable both, Maxion Wheels and our suppliers, to measure, monitor, and drive continuous improvement.

SPE Purpose: Continuous improvement

SPE Scope: Direct Material suppliers

SPE Process: Each Maxion Wheels plant is responsible for monitoring the performance of their direct material suppliers, according to the categories, criteria, and frequency defined below.

Supplier evaluation results are updated monthly and communicated to suppliers using our existing technology platform.

Each supplier receives an individual SPE Score Report. Based on the results, Purchasing and Quality teams may initiate a review with the supplier to develop and follow up on an action plan for performance improvement.

Suppliers are classified score A ($SPE \geq 90$), score B ($70 < SPE < 90$) or score C ($SPE \leq 70$). Only suppliers with an A score are considered for the Maxion Wheels "Supplier of the Year Award", which is evaluated annually.

Suppliers with scores B and C undergo a performance review by Maxion Wheels Purchasing and Quality teams and may be required to present a performance improvement plan.

If a supplier's SPE Score remains at C (≤ 70 points) despite the implementation of an action plan, Maxion Wheels may decide to put the supplier on a NBH (=New Business Hold) status or to remove the supplier from the "Maxion Wheels Approved Supplier List".

Transition period 2024:

In the newly announced SPE score calculation, the most notable change is the addition of the Sustainability category, replacing the former „Technical" category, and now accounting for 25% of the overall supplier score. This adjustment underlines our dedication to incorporating sustainable practices throughout our supply chain.

The "Commercial" category has been updated to include a more comprehensive evaluation of compliance with our governance requirements. We believe that aligning commercial aspects with our governance standards is crucial for fostering a mutually beneficial and ethical partnership.

To allow suppliers sufficient time to develop tools and adopt to these updated criteria, Maxion Wheels will monitor all categories as defined below, however, the Sustainability score will remain inactive for scoring until 2025. Consequently, suppliers will be classified based on scores A ($SPE \geq 70$), B ($50 < SPE < 70$), or C ($SPE \leq 50$) in the Quality, Logistics and Commercial categories during 2024.

SPE Score calculation:

CATEGORY	MAX. POINTS CATEGORY	CRITERIA	MAX. POINTS CRITERIA	FREQUENCY	Responsible
QUALITY	35	PRODUCT CONFORMITY - PPM's	10	Monthly	Advanced Quality and Plant Quality
		COMPLAINTS TO SUPPLIER	10	Monthly	
		SUPPLIER RESPONSE TIME	5	Monthly	
		APQP DEVELOPMENT AND PPAP	4	Monthly	
		SUPPLIER CERTIFICATIONS	3	Annually	
		AUDITS AT SUPPLIER	3	Per Schedule	
LOGISTICS	25	ON TIME DELIVERY	20	Monthly	Logistics
		PREMIUM FREIGHT	5	Monthly	
COMMERCIAL	15	PAYMENT TERMS	5	Quarterly	Plant Purchasing
		AGREED T&C	5	Quarterly	
		AGREED GLOBAL MANUAL FOR SUPPLIER REQUIREMENTS	5	Quarterly	
SUSTAINABILTY	25	SAQ SUBMITTED	5	Quarterly	Global Purchasing
		SAQ - SPECIFIC REQUIREMENTS DEFINED BY MX MET	3	Quarterly	
		CDP SUBMITTED	1	Annually	
		CDP - EMISSIONS ALLOCATED TO IMSA	1	Annually	
		RISK MANAGEMENT RATING - ALERT SCORE	10	Quarterly	
		RISK MANAGEMENT RATING - FINANCIAL ASSESSMENT	5	Quarterly	
Total	100				

We expect your continued focus on improving performance to ensure that both, your company and Maxion Wheels, can thrive in our industry.

While Maxion Wheels will acknowledge and reward outstanding performance, we also reserve the right to take appropriate action if performance consistently falls below expectations.



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Please ensure that this message reaches the relevant stakeholders within your organization.

We appreciate your attention to this initiative and your commitment to quality and supplier performance.

Best regards

Maxion Wheels Holding GmbH

Pia Schuetz

Vice President Global Purchasing

Giorgio Mariani

Chief Commercial Officer