

# NEXTEER LOGISTICS REQUIREMENTS

MAY 1, 2026

***nexteer***  
AUTOMOTIVE

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## Glossary

Acronym	Explanation
<b>PC&amp;L</b>	Production Control & Logistics Department
<b>GSM</b>	Global Supply Management Department
<b>MRP</b>	Material Requirements Planning
<b>MPS</b>	Master Production Scheduling
<b>S&amp;OP</b>	Sales & Operations Planning
<b>JIT</b>	Just in Time
<b>EDI / Web-EDI</b>	Electronic Data Interchange / Nexteer's online supplier portal
<b>EDIFACT</b>	Electronic Data Interchange for Administration, Commerce, and Transport
<b>DELJIT / DELFOR</b>	Fixed Orders (DELJIT/862) / Forecasts (DELFOR/830)
<b>ASN</b>	Advanced Shipping Note
<b>FIFO</b>	First In, First Out (inventory rotation principle)
<b>RFQ</b>	Request for Quotation
<b>MOQ</b>	Minimum Order Quantity
<b>TTOP</b>	Title Transfer Our Plant (ownership transfer point)
<b>TTDI</b>	Title Transfer at Destination Interface
<b>SPI</b>	Supplier Packaging Information (form used for packaging proposals)
<b>MAPP</b>	Manufacturability Assessment & Process Plan
<b>CMR</b>	Convention on the Contract for the International Carriage of Goods by Road (transport document)

<b>EORI</b>	Economic Operators Registration and Identification number (used for customs in the EU)
<b>DUNS</b>	Data Universal Numbering System (business identifier)
<b>USMCA</b>	United States-Mexico-Canada Agreement (trade agreement)
<b>CE</b>	Conformité Européenne (European conformity marking)
<b>ECCN</b>	Export Control Classification Number (used for dual-use goods)
<b>ISPM 15</b>	International Standards for Phytosanitary Measures No. 15 (regulation for wood packaging)
<b>IPPC</b>	International Plant Protection Convention (logo used on compliant pallets)
<b>AIAG</b>	Automotive Industry Action Group (labeling and packaging standards)
<b>OTL3 / ETI-9</b>	ODETTE label specifications used in Europe
<b>MMOG/LE</b>	Materials Management Operations Guideline / Logistics Evaluation (global logistics self-assessment standard)
<b>Incoterms</b>	International Commercial Terms - a set of standardized trade terms published by the International Chamber of Commerce (ICC) to facilitate international trade. They define the responsibilities, costs, and risks for both sellers and buyers in various modes of transport and delivery
<b>FCA</b>	Free Carrier – one of the Incoterms
<b>TMS</b>	Transportation Management System
<b>Requirements</b>	These Nexteer Logistics Requirements
<b>Contract</b>	The purchase order(s), nomination letter(s), Nexteer General Terms and Conditions, release(s), requisition(s), work order(s), shipping instruction(s), specification(s) and/or other documents and agreements, whether expressed in written form, by electronic data interchange or other tangible format, pursuant to which Supplier provides any goods and/or services to Nexteer

# 1. Introduction

## 1.1 Purpose

The Nexteer Logistics Requirements are a set of binding standards, specifying the rules and requirements for logistics exchanges between Nexteer sites and Supplier sites, in the attempt to avoid misunderstandings and conflicts, and to clearly identify responsibilities, commitments and expectations. These Requirements are hereby incorporated by reference into and made a part of each Contract between Nexteer and Supplier and are enforceable as contractual obligations.

## 1.2 Scope

These Requirements apply to all Nexteer plants and to all suppliers and sub-suppliers providing goods or services to Nexteer. They cover the entire product lifecycle, from Request for Quotation (RFQ) through to the end of product life as well as the whole delivery process of parts or materials from suppliers and sub-suppliers, including issuing orders, delivery, packaging, emergency process, and any other related activities.

## 1.3 Reference documents

These requirements shall be considered part of the contract between the parties, as specified during the Request for Quotation process.

Some specific conditions of the logistic relationship between a Nexteer site and a Supplier site are described in the document named "**Nomination Letter**".

Order of Precedence - To the extent of any conflict between the terms and conditions of any Contract and these Supplier Requirements, the terms and conditions of such documents will apply, govern and control in the following order of precedence: (1) purchase orders; (2) Nomination Letters, (3) Nexteer's General Terms and Conditions; (4) the Supplier Requirements which include the Logistics Requirements.

## 1.4 Nexteer Production Control & Logistics Strategy

Nexteer's goal is to achieve the optimal inventory level, based on the Nexteer Production System; this means providing exactly what is needed (right products and right quantity), exactly when needed. Notwithstanding the foregoing, all forecasts provided by Nexteer are non-binding and are for planning purposes only; only Fixed Orders (as defined below) constitute authorization to ship.

To optimize the flow of materials through the supply chain, Nexteer uses a twin-level supply chain planning principle:

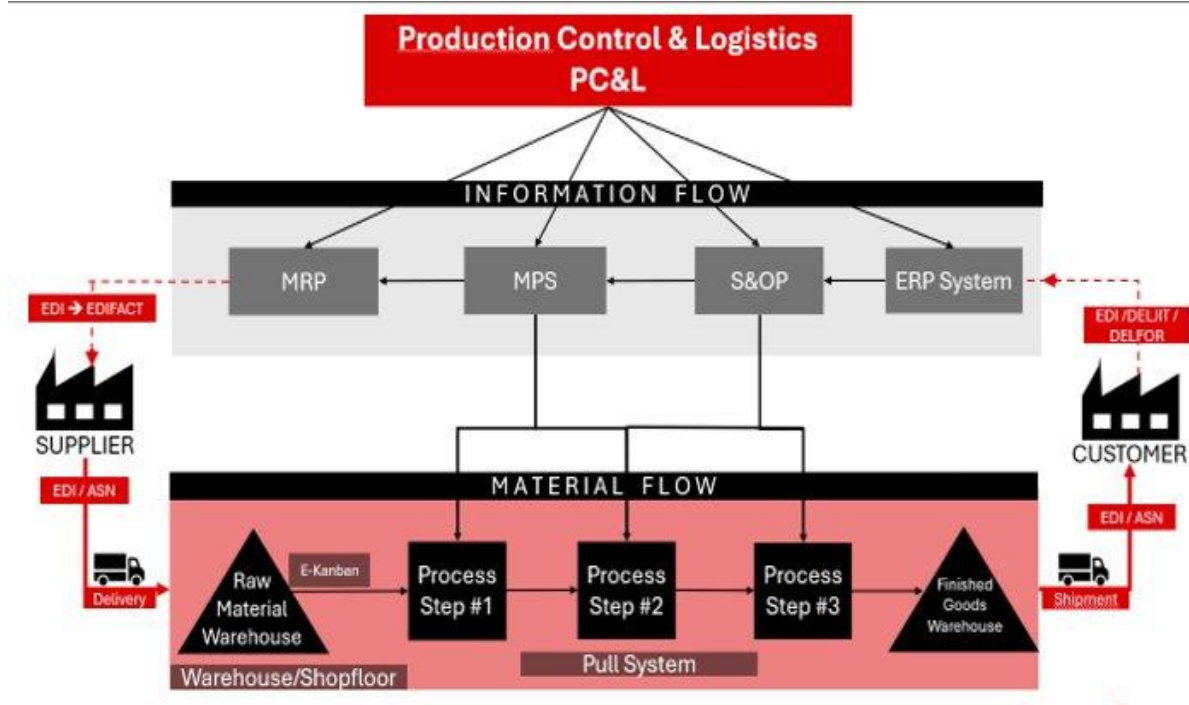
- First, Nexteer provides forecasts to suppliers, which give an indication of the projected future demand:

-> Used by suppliers to plan their own production schedule and size their capacities.

- Then, Nexteer expresses its real demand through Fixed Orders (DELJIT862). Only Fixed Orders have the status of an authorization to ship to Nexteer:

-> Used by suppliers to set up parts preparation and loading, according to Fixed Orders.

### 1.5 Nexteer Production Control & Logistics high level process map.



### 1.6 Supplier's Commitment and Contacts

The Supplier must be aware of all requirements described in the Nexteer Logistics Requirements. Please make sure that you always have the latest version of this standard.

The Supplier must appoint and maintain a logistics manager responsible for compliance with all Nexteer Logistics Requirements, including the site logistics team.

## 2. Information flows

### 2.1 Electronic Data Interchange (EDI)

Electronic Data Interchange (EDI) is a system of transferring data between different company networks. It is used by suppliers to receive delivery instructions and send shipping documents.

The Web-EDI system (Nexteer's online supplier portal) is an alternative solution proposed by Nexteer for suppliers which are not able to implement a complete EDI solution.

The use of one of these two systems is mandatory to work with Nexteer. The exchange of data must be guaranteed 24 hours a day, 7 days a week. Once setup is completed, the Supplier will ensure the EDI or Web EDI is properly maintained, fed accurate information, and protected with appropriate data security measures. Failure to maintain EDI/Web-EDI functionality or data accuracy may result in chargebacks, withholding of payments, or other remedies as determined by Nexteer.

Suppliers shall electronically receive Fixed Orders (DELJIT/862) and forecasts (DELFOR/830) depending on the local requirement and send DESADV's (DESpatch ADVice – an electronic packing slip/ASN) at the time of shipment.

Technical specifications about EDI messages and Web-EDI solution, are available at [Logistics Processes - Nexteer](#).

## **2.2 Forecasts**

Nexteer will provide the Supplier with weekly forecasts of its potential demand for at least the next 6-12 months, in weekly intervals. Such forecasts are provided solely for planning purposes and do not constitute an authorization to ship or a commitment by Nexteer to purchase any quantities forecasted.

If Supplier does not receive the information by a specified time agreed with Nexteer Logistics Contact, they shall reach out to Nexteer to ensure that normal operations can be restored as soon as possible.

In any case, such projections shall not constitute an authorization to ship products to Nexteer but shall be provided solely for guidance, to facilitate Supplier's planning.

Supplier shall, with adequate safety margin, plan Supplier manufacturing resources and capacity and safeguard supplies so that deliveries can with certainty be made promptly when instructed by the Fixed Order.

Nexteer understands and acknowledges that it is in Nexteer interest that Supplier is informed, early enough, of planned long-term changes in volume of production and product assortment that may affect the volume of shipments to be made.

## **2.3. Fixed Orders**

### **2.3.1 Direct flows:**

Fixed Orders will be communicated to suppliers on a regular basis (for instance: daily, or weekly basis). Fixed orders communicate to suppliers the material quantity to be collected / delivered to Nexteer and with the agreed lead time and Incoterms rules.



Only a Fixed Order issued by Nexteer has the status of being a formal authorization to ship products to Nexteer. Any changes or cancellations to Fixed Orders must be communicated in writing or by ERP by Nexteer, and the Supplier shall promptly acknowledge receipt.

Nexteer will take into account the mutually agreed packaging, as specified in the **Nomination Letter**, and the minimum order quantity (MOQ).

If needed, Nexteer may issue an urgent call-off (fixed order) to the Supplier, which should be carried out by special delivery. Responsibility for the cost will depend on the reason for such a call-off.

### **2.3.2 Indirect Flows:**

In case of delivery through a SAW - Supplier Advanced Warehouse, Fixed orders will be communicated to the logistics service provider managing the stock on a daily / multi-daily basis. This signal communicates the quantity to be delivered to Nexteer from the advance warehouse provider and with the agreed upon lead time.

## **2.4 Capacity management**

To deliver parts to Nexteer without stock out, suppliers must have implemented and demonstrated the production capacity agreed in the **Nomination Letter** and confirmed in Run at Rate (R@R). Supplier is required to ensure that its suppliers (including raw material suppliers) have been contracted for sufficient capacity to ensure Nexteer's contracted capacity requirement can be fulfilled.

If the forecasts over a given period exceed the Supplier's production capacity (capacity agreed in the Nomination Letter) and the Supplier cannot provide the additional requirements, then the Supplier must warn the Nexteer Buyer and the Nexteer Logistics Contact.

### **2.4.1 Flexibility and Liability**

For a given week, forecasts may vary over time. Nexteer verify forecast variations per weekly bucket between 2 consecutive forecast releases. **A Forecast increase is managed by the Flexibility Rule; a decrease is managed by the Liability Rule.** This is to protect Nexteer against missing components if Nexteer needs to increase the orders, and the Supplier against obsolescence and slow-moving inventory when Nexteer decreases its demand within this horizon.

The difference between forecasts and actual pulls from Nexteer is managed under the same rules.

#### *2.4.1.1 Flexibility*

Flexibility reflects OEM customer requirements. Flexibility can be defined for:

- A Part number;
- A Family of product;
- All products of a Supplier.

Flexibility allows Nexteer to pull or increase its forecast to protect itself against customer demand increase. The Supplier must be able to accept forecast increases within the agreed capacity between The Supplier and The Nexteer. The minimum increase from week to week that the Supplier must accept depends upon:

- The time between the current date and the week of the forecast. Further in the future the week is, higher the increase can be;
- The cumulated flexibility of the previous week;
- The maximum quantity to order per week for the part, family of product or Supplier.

#### *2.4.1.2 Liability*

With respect to material obsolescence claims, the standard Nexteer terms are to authorize suppliers to manufacture 2 weeks of material and procure / manufacture an additional 2 weeks of raw material / work in-process (material authorization will total 4 weeks). All information beyond 4 weeks is for planning purposes only. Exceptions to these terms shall be agreed upon during the quoting process and documented in the Purchase Agreement.

### **2.5 Supplier Closure**

If the Supplier's plant is closed during Nexteer's work period, the Supplier is responsible for having the materials available for pickup or delivery in accordance with the delivery date, unless otherwise agreed with Nexteer.

At the beginning of each calendar year, the Supplier shall inform the Nexteer Logistics Contact of its closing calendar to ensure Nexteer is aware of any potential impacts on transportation planning. Any subsequent changes must be communicated to Nexteer immediately in a formal manner (via letter or email). The Supplier must ensure that an acknowledgement of receipt is obtained by email from the designated Nexteer representative.

### **2.6 Safety Stock**

The Supplier will analyze its ability to meet demand from Nexteer. In the cases where the Supplier perceives operational risks that may jeopardize delivery to Nexteer (such as machine or mold failures, high levels of rejection, etc.), the Supplier will introduce appropriate safety stocks owned by the Supplier.

This safety stock is in operational use, meaning that it is used for normal deliveries to Nexteer, not just for emergency deliveries. The safety stock is only a buffer for lack of flexibility and upstream capability. Warehouse management and deliveries must follow FIFO principles.

The sizing of safety stock should be calculated based on current production and according to the latest forecast for three months ahead sent by Nexteer.

Safety stock should be stored in standard packaging. If this is not possible, use alternative packaging in accordance with the SPI (Supplier Packaging Information).

## **2.7 Material Breakpoint (change management)**

### **2.7.1 Break point Category**

By quantity. To decide the breakpoint according to the old part inventory quantity provided by the Supplier. Nexteer often uses a total accumulation quantity to identify breakpoints. After confirming the breakpoint forecast, the Supplier should control the old inventory strictly. If there is any discrepancy between the actual old part inventory and what is provided to Nexteer, the Supplier should contact Nexteer.

By timing or by date. Supplier will implement the breakpoint according to the date which was provided by Nexteer. Supplier should strictly control the old part inventory and make new part delivery preparation based on the breakpoint forecast provided by Nexteer.

### **2.7.2 Key point on Breakpoint**

After receiving the official notification of the change from Nexteer, the Supplier needs to closely monitor and control the specific components / material used, ensuring the subsequent material supply. If the part cannot be supplied continuously for any reason, the Supplier should inform Nexteer of the date when the old parts are exhausted at least 6 months in advance.

## **2.8 Contingency Action Plan**

To anticipate potential major incidents due to political situations, social perturbations, and critical process failures, the Supplier must proactively develop a Contingency Action Plan.

The Contingency Action Plan includes all preventive and corrective actions that the Supplier initiates to ensure supply to Nexteer in the event of a risk. It also fosters a rapid response to incidents (clear schedule, anticipated production, inventory, necessary working days).

## **2.9 Communication**

To guarantee an optimal collaboration, the Supplier must comply with the following requirements:

- **Responding to specific requests from Nexteer's PC&L teams within 24 hours;**
- Report and update the Supplier's contacts;
- Inform the relevant Nexteer plants and designated Nexteer contacts of any Supplier plant downtime periods (including date and time) at least in advance of the total lead time required to order, produce, and transport materials;
- Notify the appropriate PC&L contacts at Nexteer of any changes affecting the supply chain in terms of information flows (including EDI systems) and physical flows (packaging, transportation).

If any production difficulties arise, the Supplier must immediately inform the PC&L and GSM departments.

If there is a change in the structure of the Supplier's company that is relevant to Nexteer's PC&L department, the Nexteer PC&L manager must be informed immediately.

## **2.10 Logistic launch of new project**

Once the Supplier is preparing the quotation for a new RFQ, the Supplier needs to clearly understand the general Nexteer Logistics Requirements first, which will be the basis of the quotation for logistics cost.

Following the award of business via a purchase order, the Supplier shall implement the logistics assumptions for physical execution step by step, in accordance with the Nexteer Logistics Requirements and the project development timeline.

Once the design is finalized, the Supplier must start packaging design to get approval from Nexteer. The Supplier must deliver the material with the confirmed packaging method after approval. The packaging design of the material can be started after the official release of the dimension of the material under development.

The Supplier must understand and use the [Global Packaging & Shipping Manual](#) located on [Logistics Processes - Nexteer](#). Supplier Packaging Information must be maintained in the Supplier Management System, and the Supplier must follow the approved package solution for the material delivery without any changes unless prior approval is obtained for necessary improvements. The Supplier is also required to cooperate with Nexteer's requests for improvement.

# **3. Physical flows**

## **3.1 General rules**

### **3.1.1 Transport and Transportation Management System (TMS)**

The Nexteer Production System is based on a lean manufacturing mindset. To support this policy, Nexteer controls its incoming flows. Nexteer organizes and is fully responsible for the most of transportation activities.

For incoming flows, the standard Incoterms ® applied by Nexteer is FCA (insert named place of delivery) ICC Incoterms ® 2020, unless otherwise agreed to by the Nexteer Global Supply Management Department, Production Control & Logistics Department and the Supplier, and documented in the Purchase Contract. Material ownership terms for all material received by Nexteer are title transfer at the Nexteer plant receiving dock (TTOP).

The FCA ICC Incoterms ® 2020 may be used for all modes of transport, including multimodal.

Depending on the specific key transportation parameters (volume, frequency, distance), Nexteer will implement the following principles:

- Direct delivery with a dedicated truck.
- Pick-up rounds from several suppliers (milk-run loop).
- Indirect delivery with consolidation through cross-docking or through a dedicated warehouse.

If FCA Incoterms are selected, the Supplier is responsible for shipment preparation (packaging, labeling, pallet preparation, truck loading, commercial and customs documentation as required, and export customs clearance) and full compliance between documentation including labeling and shipment content.

Supplier must load only the quantity requested in the Fixed Order for the specific loading. At the time of pick up, the Supplier shall allow the authorized carrier's driver to check the shipping quantities against the scheduled quantities.

Shipping preparation must comply with FIFO rules. These rules will apply to safety stocks, if any (see Chapter 2.6, herein).

In case of any difficulty to meet Nexteer requirements the Supplier must:

- Inform and alert immediately the Nexteer site contact.
- Determine and communicate causes and correctives actions.
- Propose short-term actions to ensure deliveries.

If no communication is received from the Supplier, a logistics complaint could be initiated by Nexteer.

It is the responsibility of the Supplier to ensure that all material that is requested in the Fixed Order is available at the time of pick-up. It is strictly forbidden for a Supplier to ship more than the quantity ordered in any Fixed Order.

At the time of receipt of the goods or materials, Nexteer will compare the Fixed Order to the goods/materials received. If the quantity received exceeds the quantity ordered, Nexteer reserves the right to refuse the excess quantity or to return over-shipments at the expense of the Supplier.

Suppliers must load according to the time window agreed with Nexteer PC&L during designing inbound flow. The Supplier's shipping location must be in line with the Nexteer Purchase Order.

If the Supplier is at fault for the lack of shipment and premium freight is required, then the Supplier must arrange expedited transportation at its own expense to deliver the material within the specified timeframe. If the Supplier is unable to provide expedited transportation, Nexteer will arrange it. Nexteer will issue a problem case to the Supplier with cost recovery to recoup the cost of that premium freight.

Some Nexteer sites are using a Transportation Management System (TMS). Suppliers, in some cases such as an ASN problem, may be asked to confirm the quantity of material shipped, date of shipment, and provide all necessary transport documents via a dedicated web interface, within an agreed timeframe.

It is mandatory to fully comply with legal regulations and industrial standards when organizing transportation to Nexteer, regardless of whether it is organized by the Supplier or by Nexteer.

When the transport is arranged by the Supplier, it must be monitored and tracked through to delivery. If any incident occurs during transport, a pre-established emergency response process must be activated by the Supplier. The Supplier is obliged to meet the Nexteer delivery window, if such is agreed with a Nexteer representative.

### **3.1.2 Shipment security**

For the transportation of chemicals, oils, or dangerous goods, a special truck must be used. It must follow the national regulations for this kind of material transportation and be equipped with the required safety measures in place (For example: hanging visual signs).

Prior to any shipment into the U.S., the Supplier is to ensure the shipment does not contain unauthorized material or persons per the U.S. CTPAT and Mexico OEA minimum security requirements. Suppliers not shipping into North America should maintain any equivalent supply chain security programs administered by the affected regions.

Suppliers shipping goods into North America shall provide and verify all information required in the Customs Security Questionnaire located on the Nexteer Supplier Profile application within the Nexteer's Supplier Management System, for their DUNS number locations.

For all cross-border shipments, suppliers are required to apply secure seals to trucks or containers and perform an inspection at the time of loading. This requirement supports shipment security and aligns with CTPAT compliance expectations.

On an annual basis, the Supplier is responsible for reviewing and updating the Customs Security Questionnaire.

For more information on becoming CTPAT or OEA certified, go to <http://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism> or [http://omawww.sat.gob.mx/comext/esquema\\_integral/Paginas/OEA.aspx](http://omawww.sat.gob.mx/comext/esquema_integral/Paginas/OEA.aspx) or <https://www.sat.gob.mx/tramites/88401/obten-tu-certificacion-como-operador-economico-autorizado>, respectively.

### **3.1.3 Warehousing**

Implementing a warehousing solution for material procurement flow is intended to:

- Absorb the variability of transportation frequencies.
- Compensate the impact on inventory between Nexteer and Supplier seasonal closures.
- Respond to customer demand variability versus a long-distance Supplier lead time.
- Store material with MOQ not in line with client demand.

Supplier-owned materials may be stored in various Nexteer-approved warehousing models, including Supplier or Nexteer Bonded Warehouses, Consignment Warehouses, and in-house Nexteer Consignment Stock.

Each warehousing option is governed by specific contractual requirements, which the Supplier is required to fully comply with.

Inventory is managed by the Supplier in accordance with Nexteer logistics rules on stock levels, as defined in the applicable Logistics Warehouse Agreement. Any inventory shortage or deviation from the contractually agreed minimum stock thresholds must be reported to Nexteer immediately and no later than within 8 business hours of detection.

All detailed operational, ownership, and governance requirements are defined in the Logistics Warehouse Agreement.

In some countries, consignment is only permitted within Bonded Warehouses or Free Trade Zones, which requires the Supplier to be registered as the legal owner of the goods stored in such locations.

Consequently, the Supplier shall comply with all applicable local registration and legal requirements to enable consignment operations in these jurisdictions.

### **3.1.4 Customs and export capabilities**

#### *3.1.4.1 Introduction*

In today's globalized economy, the ability of suppliers to efficiently manage export logistics is crucial for maintaining competitive advantages and ensuring smooth international trade operations. This chapter outlines the key requirements and best practices for suppliers to enhance their export capabilities.

Customs must be cleared for every international flow of goods:

- At the point of exit of the goods of the country: Export Customs.
- At the point of entry of the goods into the destination country: Import Customs.
- The Exporter will always be legally accountable to his national tax administration.
- The Importer will always be legally accountable to his national tax administration.

Exportation customs must be under supplier control, and importation customs must be under customer control.

**Invoices for transport originating from outside the EU must include the EORI number** (a business identification number for customs and tax purposes in the EU)

#### *3.1.4.2 Obligations of the parties in relation to Customs*

Suppliers must adhere to the export regulations of both the exporting and importing countries. This includes obtaining necessary certifications, licenses, and permits.

- The Seller must provide a **commercial invoice** in conformity with the contract of sales and any other evidence of conformity that may be required by the contract.
- Where applicable, the Seller must obtain, at its own risk and expense, any **export license** or other official authorization and carry out all customs formalities necessary for the export of the goods.
- The Seller must pay, where applicable, the costs of customs formalities necessary for export, as well as all duties, taxes, and other charges payable upon export.
- The Seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, and counting) that are necessary for the purpose of delivering the goods in accordance with the "named place of delivery", as well as the costs of any-pre-shipment inspection mandated by the authority of the country of export.

- The Seller must, where applicable, in a timely manner, provide to or render assistance in obtaining for the Buyer, at the Buyer's request, risk and expense, any documents and information, including security-related information, that the Buyer needs for the import of goods and/or for their transport to the final destination.
- (Source: Incoterms ® 2020 ICC Rules for the Use of Domestic and International Trade Terms - ICC Publication N° 723E)
- **Declaration of Temporary Importation** for Packaging and Export Balance: Suppliers importing Nexteer packaging in temporary admission mode and exporting parts in Nexteer packaging must act in compliance with applicable local customs legislation in relation to the export of such the temporarily admitted packaging.
- **Compliance with International Standards:** Products must meet the standards set by international bodies such as ISO (International Organization for Standardization), IEC (International Electrotechnical Commission), and others.
- During the 4th quarter of that year and each year thereafter, The Seller shall provide appropriate Certificates and other Free Trade Agreement documentation valid for the following year January 1 through December 31.

#### *3.1.4.3 Import document communication*

The Supplier will provide to the Nexteer PC&L contact, all the necessary documents to fill in import customs declaration, at the same time Advanced Shipping Notice (ASN) is transmitted to Nexteer through its EDI or Web-EDI system. The document package must include:

**Invoice** for customs clearance with at least:

- Ship From Location, Contact Name and Phone Number
- Ship To Location, Contact Name and Phone Number
- Bill from / Bill to
- Purchase Order Number
- Full Incoterms ICC 2020 ® aligned with Purchase Order Number
- Nexteer part number and description
- Country of Origin (Country of Manufacturer)
- Unit Price agreed in the Purchase Order
- Quantity and Total Value of Material Shipped
- Currency agreed in the Purchase Order
- Commercial Invoice in English and Legible

Any other legal mentions that should be noted on the invoice, in particular ECCN notification in case of dual use or listed goods or preferential origin mention when applicable.

The prices mentioned in the customs invoice must be the exact prices to be paid to the Supplier, negotiated with Nexteer.

In case of a shipment with no payment, it should be clearly stated in the invoice: "Invoice for customs only - no transactional value" and the price must be the price for an identical or equivalent good: never set a price at no value or any other lump sum.

Packing list with P/N, description, quantities per PN, weights (gross/net),



Preferential Origin documents for Free Trade Agreement between the country of Origin and importing country. Please note that:

- Nexteer nominated brokers must receive the original document before the arrival of the goods otherwise, Nexteer cannot apply for the preference.
- When issuing a preferential origin document, suppliers must take necessary due diligence to guarantee that products sold to Nexteer qualify with the free trade agreement terms and keep at least 10 years of evidence of the preferential origin, in case of a customs audit and administrative cooperation.

Any technical certificate in accordance with importing country regulations (for example CE certificate for EU regulation on machinery, or origin certification for some destination or product)

Suppliers to Nexteer in North America (United States, Mexico, and Canada) shall forward all completed Certificates and other Free Trade Agreement documentation to the attention of Nexteer's service provider, Livingston International, using email address: [Nexteer.solicitation@livingstonintl.com](mailto:Nexteer.solicitation@livingstonintl.com).

Suppliers for Nexteer outside North America shall forward all complete Certificates and other Free Trade Agreement documentation as directed by Nexteer or Nexteer's Service Provider, Livingston International.

**Certificate of Origin** – To obtain a USMCA Certificate of Origin form, and for Instructions on how to fill out the form, contact Livingston International at [Nexteer.solicitation@livingstonintl.com](mailto:Nexteer.solicitation@livingstonintl.com) or [trade.compliance@nexteer.com](mailto:trade.compliance@nexteer.com).

Country of Origin declarations for supplier provided purchased parts and products. If the manufacturing DUNS address is incorrect or does not reflect the country of manufacture of the product, the Supplier is responsible for providing the correct information in writing without delay to the Nexteer Buyer.

#### *3.1.4.4 Risk management at export processes*

Exporting goods involve various risks, including delays, damage, and loss. Suppliers should implement risk management strategies such as:

**Insurance:** Obtain cargo insurance to protect against potential losses during transit.

**Contingency Planning:** Develop plans to address unexpected disruptions in the supply chain.

**Compliance Audits:** Regularly review and audit export processes to ensure compliance with regulations and standards.

### **3.2 Delivery Documents. ASN.**

A complete set of documents must be included in each shipment, with at least:

- The Delivery Note.
- The Transport Documents (Bill of lading, CMR)) correctly filled in (shipping date, quantity, weight and volume of goods, signature of the dispatching site).
- The Customs Documents if required.

The set of required documents will depend on the applicable country's rules.

When shipments are completed, Advanced Shipping Notices including labels contents (if rich ASN) are transmitted to Nexteer through its EDI or Web-EDI system (applying the EDIFACT standards), not later than 30 minutes when the shipment left the dock. These documents reflect the actual physical shipment, including the associated ASN message (rich ASN).

The ASN Ship Time should reflect the time zone of the Nexteer site receiving location. E.g., For shipments to Nexteer Sites in the United States the “ASN Ship-Time” should reflect EST/EDT (Detroit time), for shipments to Nexteer Sites in Mexico the “ASN Ship-Time” should reflect CST/CDT (Chicago time), etc.

All suppliers shipping under a Nexteer Legal Entity Purchase Order to other Nexteer suppliers must provide copies of the packing slips to the Nexteer Contact within 30 minutes after the shipment leaves the dock. ASN's are required to be generated and sent 30 minutes after the shipment leaves the dock. Once these packing slips are received and verified by the consignment location, they will be entered into Nexteer's system. This will generate payment for the initial supplier.

Suppliers receiving drop shipments from other Nexteer suppliers must verify part number and quantities physically received. They must then sign and date the packing slip, acknowledging receipt of material. If there are any discrepancies, they must be noted and sent with the signed packing slip to the Nexteer Contact. Any inventory variances, which are the result of discrepancies not noted on the signed packing slip, will be charged to the receiving location.

Suppliers who receive Nexteer material on a consignment basis are required to provide monthly scrap and inventory certifications as well as physical count certifications at the time that Nexteer conducts its Annual Physical Inventory.

### **3.3 Packaging Definition**

The packaging strategy shall efficiently support Nexteer's lean manufacturing approach and enhance cost-efficiency in logistics.

Packaging specifications, linked to the material part number and agreed upon between the Supplier and Nexteer, will be indicated in the SPI (Supplier Packaging Information). Suppliers shall provide packaging proposals in accordance with the Nexteer [Global Packaging & Shipping Manual](#) located on [Logistics Processes - Nexteer](#).

For electronic assemblies and components, acceptable packaging material shall be made of ESD Dissipative or Antistatic material.

The direction of Nexteer is to receive components in returnable packaging. Nevertheless, in specific situations—such as cost efficiency, contingency purposes, or sea freight—cardboard packaging may be accepted.

If returnable packaging is agreed, a supplier must have approved cardboard packaging as a backup. If cardboard is used as alternative packaging, the size and number of parts must be equal to the returnable packaging. The alternative packaging must be defined in SPI (Supplier Packaging Information).

Any changes to the agreed packaging will need to be submitted and formalized for validation by the GSM and PC&L. In the case of deliveries to several Nexteer plants, this validation must be carried out by each Plant PC&L Department before application.

The function of the packaging is to preserve the quality of the parts (component protection) and comply with Nexteer's safety rules, with the highest feed rate for transportation. This includes the number of parts per packaging unit and standard sizes to optimize the loading speed of the vehicle or container. In this context, the Supplier must take all necessary measures to guarantee delivery without damage, in clean packaging.

In all cases, the Supplier will comply with the packaging requirements specified by Nexteer, as well as the number of parts in the package. Incomplete containers are prohibited. Parts may not be mixed in a box unless they are a set.

Packaging optimization contributes not only to logistics cost savings, but also to the reduction of CO2 emissions, which is part of Nexteer's commitments.

The choice of packaging must respect ergonomic guidelines. The packing unit weight (box handled by Nexteer operators) must not exceed 12 kg.

If a wooden pallet is used, the specifications must comply with the International Standards for Phytosanitary Measures (ISPM 15), bearing the mark of conformity (IPPC logo). These pallets must be stored in a dry place from delivery until effective shipment (outdoor storage is not appropriate).

Carton sizes must conform to Galia/Odette/AIAG standards to fit vehicle size, or to Galia overseas standards, to fit the sea container sizes. The design of the carton must comply with safety and ergonomic principles.

To optimize the transport fill factor, the palletizing design should allow at least one level of stacking of pallets of similar size and weight to be done safely. Stackability should allow 2,4 m of stacking. If stacking is not technically possible, it should be visible to logistics operators and agreed upon deviation by the Nexteer site. Proper marking should be applied.

If required, offshore suppliers will be responsible for the transfer of parts to small lot containers prior to delivery to the Nexteer receiving plant. Nexteer will not carry any inventory costs associated with this process.

### **3.4 Packaging Loop**

If Nexteer provides returnable packaging as part of a new project, Nexteer and the Supplier will jointly determine the number of returnable containers required for the loop based on lead time, delivery frequency, inventory, and consumption rate. In no event will Nexteer fund returnable containers beyond the agreed loop size.

Nexteer and Supplier will set up strict inventory management for incoming and outgoing containers, and Nexteer will reconcile the accounts with suppliers regularly during the contract period. If there is a loss at the supplier's end, a claim will be made to the Supplier.

The containers are the responsibility of both Nexteer and the Supplier, depending on where they are in the loop. The Supplier may not use these returnable containers for any purpose other than delivery to the Nexteer's facility.

They should not be used for:

- Internal production flow
- Intermediate storage of intermediate products
- Warehousing
- Supplying sub-suppliers

By default, the empty containers are delivered to the supplier's production location.

If the Supplier needs additional packaging to manage other applications, it must purchase its own boxes and ensure that the two packaging loops are never mixed up. The Supplier must ensure strict inventory control of this additional loop. Nexteer will never compensate for the loss of packaging belonging to the Supplier.

If the Nexteer packaging is damaged or missing, the Supplier must report this to the appropriate Nexteer department, which will assess whether a replacement is possible.

If the stock of returnable containers is exhausted, the Supplier must contact the Nexteer PC&L department of each supplied plant, which can authorize deliveries in the approved alternative packaging specified in the SPI.

### **3.5 Labeling (acc. Nexteer Global Supplier Standard Label Requirements)**

For all destinations, materials shall be identified in compliance with the current version of the Nexteer [Global Supplier Standard Label Requirements](#) located at [Logistics Processes - Nexteer](#).

A sample or scanned PDF image of your label shall be provided with your PPAP package. Additionally, suppliers will be required to verify label requirements as part of the Nexteer APQP process. Shipping containers shall be identified with the material's appropriate "COUNTRY OF ORIGIN." Containers must be identified with their own Country of Origin.

Every Packaging Unit (Small Boxes or cardboard) will also be identified by a PU label. Nexteer requires the use of ODETTE OTL3/ETI-9 specification or AIAG for NAFTA. These boxes must be oriented on the pallet such that the labels face outward.

Pallet and Packaging Unit labels should be consistent with the rich ASN message if applicable.

Mandatory information mentioned on identification label are:

- Part reference number and part description,
- Revision level,
- Quantity,
- Production date,

- Supplier number,
- Label number,
- Lot number or production batch number,
- Products expiry date (if applicable)

The existing labels on the returned packages must be removed and cleaned by the Supplier to ensure clear traceability of materials.

### **3.6 Traceability**

If batch traceability is used, the Supplier must be able to provide Nexteer with information on tracking production details backwards from batch identification (backward traceability) to trace each event back to its manufacturing origin to track product quality.

## **4. Supplier Delivery Evaluation**

### **4.1 Supplier Delivery Performance**

As a leading global company committed to maintaining the highest standards of quality in all operations, including in the products and services we provide, it is essential to foster strong partnerships with our suppliers. In our pursuit of excellence, we recognize the critical role our suppliers play in our success.

By leveraging this system, we can continuously track the performance of our suppliers, identify areas for improvement, and proactively address any emerging issues to prevent potential disruptions in our supply chain. Moreover, the supplier evaluation system enables us to provide informed recommendations to our stakeholders, guiding them towards selecting suppliers who consistently demonstrate excellence in delivering quality products and services.

Nexteer measures the ship delivery performance of suppliers against 5 different criteria:

1. Delivery Days Early
2. Delivery Days Late
3. Over - Shipments
4. Under - Shipments
5. Timeliness of ASNs

Results are gathered and combined to create an overall weighted ERP Supplier Performance score that uses the following chart to identify Supplier Balanced Scorecard Delivery deductions:

Supplier Performance	
Maximum 10 point deduction in Intellex from all Domains for QAD Supplier Delivery Rating	
QAD Score	Intellex Deduction
95-100	0
85-94	1
75-84	2
65-74	3
55-64	4
45-54	5
35-44	6
25-34	7
15-24	8
05-14	9
00-04	10

Nexteer has created an ERP batch job that runs at the end of each month, and the results are being uploaded to the Supplier portal. Your Supplier Balanced Scorecard delivery section will be reflected (with a deduction of 0 to 10 points) in accordance with QAD delivery evaluation.

At any point within the month, a Material Coordinator can run the Performance Report for a specific supplier to provide feedback and recommendations for improvement. Any debate or issues with evaluation should be resolved during mutual agreement between Supplier and Nexteer material coordinator. Finally, Nexteer may adjust the scoring of the Supplier's Balanced Scorecard to reflect the agreed delivery evaluation.

In the case of unsatisfactory delivery performance and lack of improvement, this may result in additional delivery claims and further impact on the Supplier Delivery Scorecard.

Each month, Supplier Delivery Performance is published as part of the overall QCD (Quality, Cost, Delivery) evaluation. A continuous improvement plan may be requested, and its progress is subject to follow-up.

#### 4.2 Supplier Logistics Incidents

Nexteer expects the Supplier to deliver the right products, with the right quality, in the right numbers, at the right time, at the right place. Any deviation will trigger Logistics Incident Notification through the Nexteer's Supplier Management System.

In the case of defective products, the Supplier will have to replace these products within the return period agreed upon with the Nexteer representative and at the Supplier's expense.

The Supplier will arrange and pay for any additional logistics costs to rectify its own failures or those of its carriers and to prevent stock shortages at the Nexteer facility.

All line stoppages caused by Supplier's nonconforming deliveries, as well as any line stoppages or special shipments to Nexteer's customer resulting from these nonconforming deliveries by Supplier, will be invoiced to the Supplier.

List of Logistic Incidents:

Generic causes	Description
No respect of delivery period	Failure to meet delivery or pickup deadlines; Parts did not arrive at Nexteer within the specified time or parts were not ready within the time specified by Nexteer PC&L, resulting in irregularities and additional costs at the point of pickup or transportation.
Delivery document	ASN errors or omissions: errors or omissions in the delivery document: written or electronic information is not consistent with the content of the delivery, or information is missing.
Quantity	<p>The wrong quantity was delivered with respect to the Fixed Order:</p> <ul style="list-style-type: none"> <li>● Products were ordered by Nexteer but were not delivered.</li> <li>● Products were not ordered by Nexteer but were delivered.</li> </ul>
Labeling	<p>Label error or inconsistency: Label (bar code or description) does not match the parts inside the package;            Damaged/unreadable label: Label not usable by Nexteer: unreadable, damaged;            Inconsistent label location: Label is not in the right place on the packaging/handling unit;            Missing label: Label is not on all packaging/handling units.</p>
Packaging	<p>Shipment arrived damaged on delivery; Liability is determined according to Incoterms; Handling or packing unit does not conform: The Handling Unit or Packing Unit used for delivery does not conform to Nexteer's requirements. The nonconformity may relate to the type/size of the HU/PU; Incomplete Handling/Packaging Unit: One or more parts are missing from the PU/HU □ difference between the expected quantity and the actual quantity; Mixed in Packing or Handling Unit: Different references placed in one PU/HU. Dirty or damaged packaging</p>

**4.3 Continuous Improvement**

Nexteer and the Supplier will agree on a schedule of periodic meetings, if necessary, and it will address logistical issues.

Nexteer will require Supplier to provide Nexteer with continuous improvement plan that focuses on at least the following objectives:

- Improving the Delivery Performance
- Eliminating logistics non-conformities
- Increasing delivery and internal production frequency
- Reducing delivery and internal production lot sizes
- Reducing delivery and internal lead times
- Increasing flexibility
- Improve on the inbound flows respecting Nexteer requirements

#### **4.4 Supplier Logistics Evaluation**

Nexteer's requirements for shorter lead times and reliable deliveries have created a need for a faster, more flexible and more efficient flow of information and products at all levels of the supply chain.

Logistics is playing an increasingly important role in a competitive environment, and only through continuous improvement we can ensure lower costs and greater customer satisfaction.

To ensure that Nexteer's expectations are met and that the supply chain is continuously improved, it is necessary to control and monitor the supplier's material planning and logistics processes. Nexteer recommends that the Supplier conduct a self-assessment in accordance with the Global MMOG/LE guidelines and, upon request, provide the results of this assessment to the designated Nexteer GSM and PC&L contact person.

## **5. Customer communication**

**The Nexteer Supplier Website** provides easy access with links to supplier systems and important documents required to do business with Nexteer: [Doing Business with Nexteer - Nexteer](#) and [Logistics Processes - Nexteer](#).

All communication with Nexteer and in Nexteer systems should be in English to facilitate multi regional sharing of information.



Approval / Effective Date:	Issue / Revision Changes Summary:	Title / Function:
May 1, 2026	Initial release	Jacky Xu Chief Purchasing Officer Global Supply Management  Glenn Barrie Executive Director Global Supplier Quality & Development