VS007 Appendix J -

Supplier Change Request Management

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VS007 Appendix J

1 Purpose

The purpose of this standard is to define the requirements to manage Supplier initiated Change Requests and Supplier " End of Life" Announcement — in line with ISO, IATF and customer specific requirements.
The VS007 Appendix-J is describing the interactions between the supplier, the component organization, and the Change Control Board (CCB) process.

2 Scope

This Standard is valid for all facilities within Veoneer and applies to all suppliers of direct materials (Hardware and Software), where a PPAP was submitted and approved, e.g.: Change in design, process, tool, production location etc.

This standard describes the minimum requirements and may be modified, or appended, based upon customer requirements and/or regulation changes.

3 Responsibility

The **Plant Quality Manager** is responsible that this standard is applied within his/her facility.

The **Site Manager** at each Technical Center is responsible that this standard is applied in his/her facility.

The **V.P. Quality / Quality Director** in each region is responsible that this procedure is applied within his/her region.

The **V.P. Purchasing / Purchasing Director** in each region is responsible that this procedure is applied within his/her region

The **Sales Representative at the Supplier** is responsible that this procedure is applied from supplier perspective regardless of the requested change.

4 Procedure for Supplier Initiated Change Request

The VS007 Appendix J describes the process for Supplier Initiated Change Request and its interaction with the VS007 CCB process.

The supplier is required to seek approval from Veoneer for any change it intends to implement (See VSM section 4.2.2 Continuous Process and Cost Improvement)

The procedure is broken down into 6 phases numbered from 0 to 5 (*See Figure 1: SCR Process*):

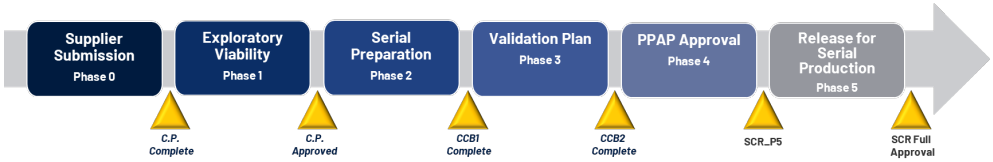

Figure 1 : SCR Process

4.1 Process Flow

The Supplier Initiated Change Request process is described in the flow diagram below (*See Figure 2 : SCR Flow Chart*)This Appendix is intending to describe the lower portion of this process flow diagram ("Interactions between Supplier and VS007 CCB Process"). The upper portion of this process flow diagram is described in the general VS007 Standard.

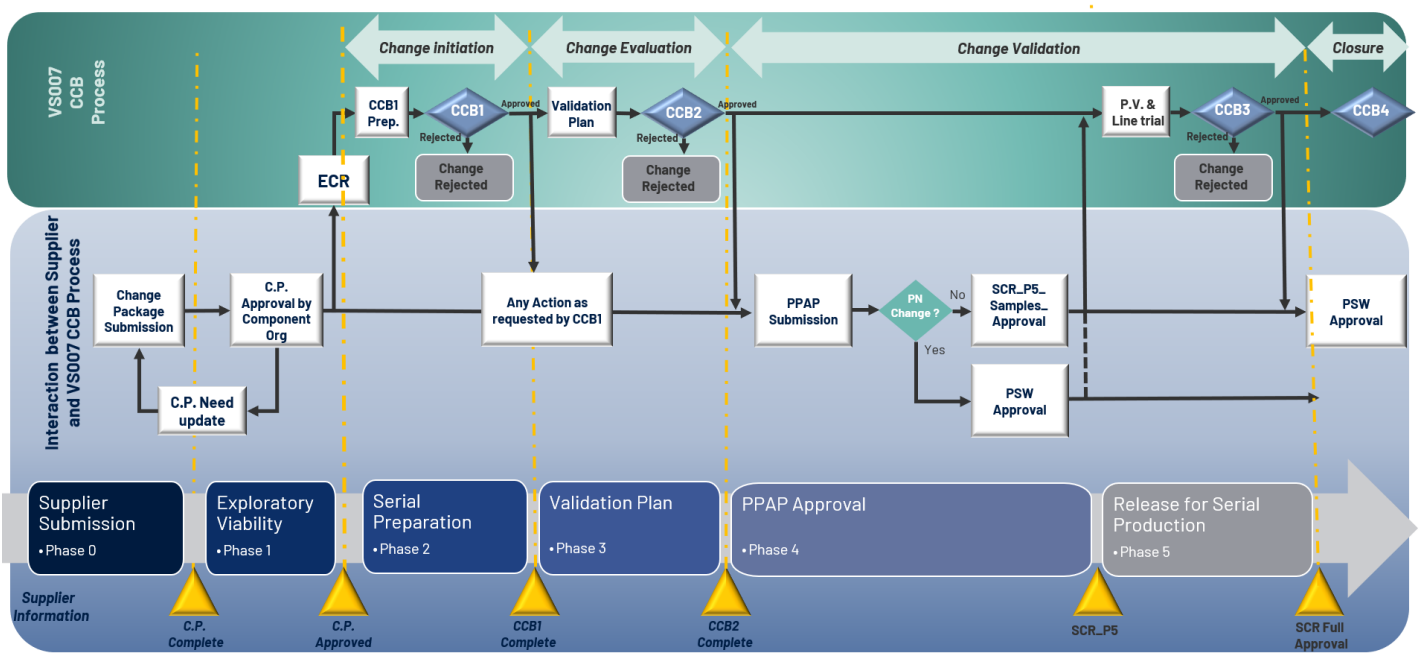

Figure 2 : SCR Flow Chart

4.1.1 Phase 0: Supplier Submission.

The supplier is responsible for initiating the process by submitting a Supplier Change Request (SCR) to the Veoneer Lead Buyer. The SCR Template is available for access to the supplier in the Veoneer Supplier Manual (VSM).
The expected lead time for notification of a change is dependent of the specific change and it is the supplier responsibility to account for the time required for the validation of the change.

Together with the SCR, the supplier is responsible for submitting a set of documents hereinafter identified as "Change Package" (C.P.), which contain the necessary information for Veoneer to assess and approve the change. The set of requested documentation is described in the SCR template.
Note - Depending on the component affected by the change, it is the supplier's responsibility to use the applicable Change Package template.

The Closure of Phase 0 is associated with the "C.P. Complete" milestone. This milestone is to be signed off by the Supplier. With the approval of this milestone, the Supplier is confirming that the documentation provided (SCR and C.P.) is complete and no item is missing.

Once the "C.P. Complete" milestone is approved, the Veoneer Lead Buyer then shares the set of documentation within the Group (Component Development Manager, Component Engineer, Lead Buyer, Supplier Quality Engineer) to initiate the next "phase" in the process.

4.1.2 Phase 1: Exploratory Viability

The objectives of this phase are to review the documentation submitted by the supplier, to ensure that it is complete and compliant, and especially to evaluate the change and ensure that it does not present any quality, technical or financial risk for Veoneer.

The "**Component Core Team**" is in charge of carrying out this phase shall include at a Minimum the following functions:

- Component Development Manager.
- Component Engineer.
- Lead Buyer.
- Commodity Supplier Quality Engineer.

Depending on the needs and requirements identified to assess the risks, any other function may be involved in the realization of this phase.

For some SCR a part number change is required, but for some other situations, the Part Number will stay the same. The Component Core Team gives a recommendation for changing the part number in the sheet "Commodity Team Recommendation" of the SCR.

The Veoneer Component Development Manager oversees coordinating team activities and organizes meetings required for the smooth running of this phase.
As often as needed, the team will ask the supplier to participate in review meetings to share and explain the documentation provided.

In the event the team determines that the provided documentation is incomplete, the "C.P. Complete" milestone will be revised, and the process flow will revert back to "Phase 0".
After the SCR and the C.P. are reviewed and the change assessed, the team may still reject the change if it is determined to be unsustainable Quality, Technical, Financial or Supply risk to Veoneer.

The Closure of the Phase 1 is associated with the "C.P. Approved" milestone. This milestone will be approved by the Component Development Manager in concurrence with the Commodity Supplier Quality Engineer and the Lead Buyer. When approving this milestone, the team confirms that this initial assessment didn't identify any unsustainable risk to Veoneer with the change requested by the supplier. The team will also provide recommendations to the application/CCB team regarding: Part Number changes, minimum product-level validation testing, and any other applicable recommendations.

When the component impacted by the change is no longer used (No recent Delivery and no forecasted volume), the team may decide to reject the change. In such case, the Supplier Quality Engineer will supersede the PPAP and the Component Development Manager will obsolete the part number (adding the appropriate comment).

To initiate the VS007 CCB process, the Component Program Manager will create the "Engineering Change Request" (ECR) in the "Product Management" system. All relevant change documentation must be linked to the ECR.

4.1.3 Phase 2: Serial Preparation.

This phase corresponds to the "change initiation" step of the VS007 CCB Process. It is conducted exclusively within the framework of the overall CCB VS007 process. The "Change Leader" is leading the team activities all along this step until the CCB1 milestone is granted.

In the context of "Supplier initiated Change Request", the main objective for the VS007 CCB "Change Initiation" step is for the Change Control Board to approve the need for an evaluation of the change. If the Change Control Board does not approve the need for an evaluation of the change, the CCB1 will be rejected.

The change leader will communicate to the "Component Core Team" (as described above) any actions that may result from the CCB1 process.

It is the responsibility of the "Change Leader" to provide feedback to the team regarding the CCB1 approval status, so that the associated SCR status can be updated by the team and information shared with the suppliers.

Closure of Phase 2 is associated with the "CCB1 Complete" milestone approval. This milestone approval is to be granted by the "Change Leader". When approving the "CCB1 Complete" milestone, the Change Leader confirms that the Veoneer CCB1 has been granted by Veoneer Management and approved in the "Product Management System".

If for any reason CCB1 is rejected, the Supplier Change Request will be rejected.

4.1.4 Phase 3: Validation Plan.

This phase corresponds to the "Change Evaluation" step of the VS007 CCB Process. Similarly, to Phase 2, this phase is conducted exclusively within the framework of the overall CCB VS007 process. The "Change Leader" leads all activities along this step until the CC2 milestone is approved.

In the context of "Supplier initiated Changes Request", the main objective for the VS007 CCB "Change Evaluation" is for the Change Control Board to confirm if the change, from a risk perspective, can be considered and the CCB team can proceed with the proposed validation plan. The assessment for the CCB "Change Evaluation" step is resulting from the review of Supplier Risk Analysis as well as from the Veoneer internal Feasibility Study.
In case the Change Control Board does not approve to proceed further with the change, the CCB2 is rejected.

It is the responsibility of the CCB Change Leaders to provide feedback to the team about CCB2 approval status, so that the information can be shared with the suppliers.

For Phase 3 to be completed, the CCB change leader must share with the Core Team the following information:

- Quantity of samples required globally for the CCB Product Validation.
- Plan Date for the Product Validation start.

The Closure of Phase 3 is associated with the "CCB2 Complete" Milestone. The approval of this milestone will be granted by the Change Leader, in concurrence with the Supplier Quality Engineer and the Lead Buyer. When approving this milestone "CCB2 Complete", the team confirms that the CCB2 has been granted by Veoneer Management and approved in the "Product Management System".

In the situation where CCB decides on a new part number creation, the Change Leader oversees the creation of the new part number before the closure of phase 3 (Applying the applicable Veoneer procedure).

If for any reason CCB2 is rejected by the Change Control Board, the Change will be rejected.

4.1.5 Phase 4: PPAP Approval

As "CCB2 milestone" is approved in the previous Phase, which indicates Veoneer management's approval to proceed further with the validation of the change, Supplier Quality Project (SQP) activities must be initiated. Thus, Phase 4 is dedicated to the approval of the PPAP so that Product Validation can be conducted with components representative of serial production.

The Project SQ (Identified by the Commodity SQE) oversees the SQP activities.

Due dates for the submission of the different deliverables of the SQP must be discussed and agreed upon with the supplier to get PPAP Approval (or "**SCR_P5_Samples_Approval** ") by the Product Validation start date.

When a Part Number change is not required, final PPAP Approval can't be immediately granted (as modified product mustn't be used for serial production before P.V. status is "PASS" and CCB3 approved). Then instead of PPAP approval, the supplier shall request an approval for shipment of PV (Product Validation) samples.
The specific Template "SCR_P5 Samples Submission Warrant" (SCR_SSW) is to be used by the supplier to formalize the supplier's request for shipment of modified samples. The SCR_SSW provided by the supplier must contain the following comment: "***This request, called SCR_P5_Samples_Approval, is not for serial delivery. This request applies only for the delivery of the limited quantity of XXXX samples required by Veoneer to conduct Product Validation. Agreed special marking and handling must be applied***".

Before approving this request, the Veoneer Project SQ will make sure:

- The submitted documentation is same level as for a "complete" PPAP approval. All deliverables must be completed and approved (except PSW).
- A specific marking and shipment procedure has been agreed on with the supplier for the delivery of these samples. The aim is to prevent a risk of mixing, thus making sure the devices with the implemented change will be used only for Process Validation.

The ultimate intention is to ensure that the samples delivered for Veoneer PV (Product Validation) will be 100% representative of the future device after the change will be implemented for serial production.

In case the PPAP Approval is gating any payment to the supplier (e.g.: Tool cost, Mold Cost, ...) then, similar to PPAP Approval, the "**SCR_P5_Samples_Approval**" will release the payment to the supplier.

PPAP Approval or "**SCR_P5_Samples_Approval**" (as applicable) shall not be understood as a commitment for implementation of the change. Final agreement for SCR implementation will come with an upcoming milestone (section 4.1.6).

The Closure of the Phase 4 is associated with the "**SCR_P5**" milestones. The approval of this milestone will be granted by the Project Supplier Quality Engineer in concurrence with the Veoneer Lead Buyer. When approving this milestone, the team confirms that the PPAP documentation is complete (except PSW) and compliant to requirements.

If for any reason, PPAP is rejected by the Project Supplier Quality Engineer, the Change will be rejected.

The Lead Buyer oversees coordinating samples ordering activities with the support of the local facilities organizations affected (Commodity Buyer, Logistic team and/or any other team as needed). Procured samples must be traceable through the standard traceability system in place and ordering process must be done by a "Discrete" Purchase Order (P.O.) to easily segregate these devices in the supply chain (Not through EDI process). A reminder of the requested identification for the samples will be notified.

4.1.6 Phase 5: Release for Serial Production

Once the "SCR_P5" milestone is released, finalizing Phase 4, the CCB change team can start running the P.V. (Product Validation) with the change implemented.
Phase 5 corresponds to the process for SCR Final Approval and is associated with the "**SCR Full Approval**" Milestone.

For an SCR where the **part number is requested to change**, the "**SCR Full Approval**" Milestone will be approved immediately without waiting for the P.V. result.
The Application Teams are required to create an ECR for the modification of the BOM and the implementation of the change including the cost implication.

When the part number is not changing and a **SCR_P5_Samples_Approval** was issued, it is the responsibility of the "Change Leader" to provide feedback to the team about CCB3 approval status, so that the Project Supplier Quality Engineer can proceed for Final PPAP approval.
In case **SCR_P5_Samples_Approval** was issued more than one year before Veoneer line trial completion, the Supplier Quality Engineer will ensure that all the PPAP Documentation is up to date.

If for any reason CCB3 is rejected by the Change Control Board, the Change will be rejected.

"**SCR Full Approval**" Milestone will be approved by the Change Leader in concurrence with the Project Supplier Quality Engineer and the Veoneer global Logistic representative.

When approving this milestone "**SCR Full Approval**", the team confirms the Change is Approved and the supplier can start shipment as soon as orders are received on the new part number.

4.1.7 Exception handling

For some very limited cases when the change needs to be urgently implemented for Urgent Resolution of a Quality/Technical/Financial/Supply Issue, some steps of this process might be performed in parallel, or even some steps could be waived.
Such exception will be possible under the approval of the following Board Members:

- Quality Representative of affected Product Area.
- Sourcing Representative of affected Product Area.
- Senior Director Supplier Quality.
- Senior Director Component Development.

The approval of the Board Members, the exact description of the applicable exception as well as a detailed risk analysis, must be documented and recorded.

The person representing the function (Quality/Technical/Financial/Supply…) expressing the need for an "Exception Handling" treatment shall oversee the organizing and documenting of the escalation meetings.

5 *Supplier Product End of Life (EOL) Announcement*

The VS007 Appendix J also addresses cases where the "Change" is a **Supplier Product End of Life Announcement**.

The supplier is required to seek Veoneer's approval, which in this context is to be understood as confirmation that Veoneer acknowledges receipt of the End of Life notification and has implemented a solution that effectively allows the supplier to stop production of the referenced product (Provided that the supplier carries out the actions identified by the CCB)

In the same way as for the "Supplier Change Initiated" procedure, this flow procedure is broken down into 6 phases (*See Figure 3: EOL Announcement*):

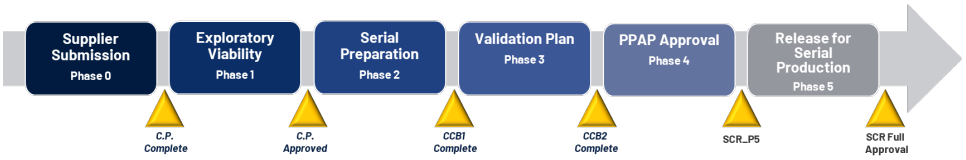

Figure 3 : EOL Announcement

5.1 Process Flow

The process for handling of Supplier Product EOL announcement is described in the Flow diagram below (*See Figure 4: Supplier EOL Announcement*).
The scope on this appendix is to describe the lower portion of this process flow diagram ("Interactions between Supplier and VS007 CCB Process"), while the upper portion is described in the general VS007 Standard.

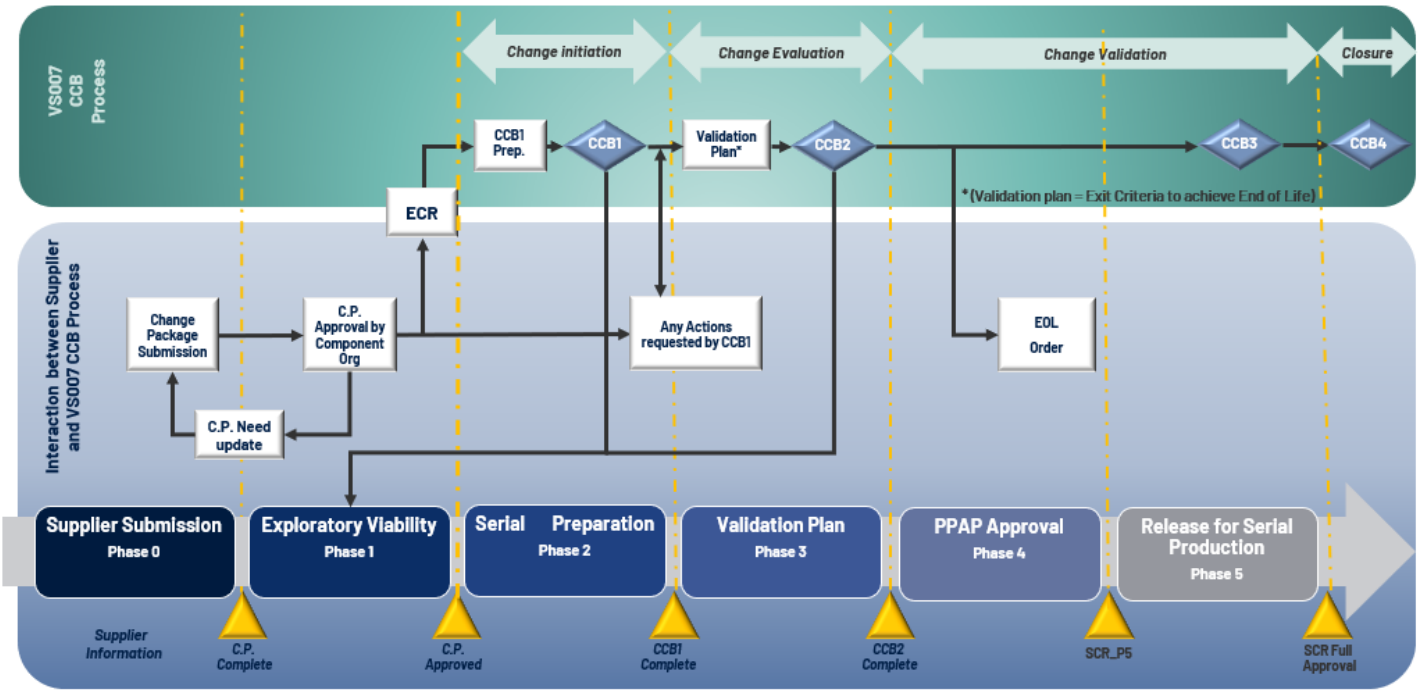

Figure 4: Supplier EOL Announcement

5.1.1 Phase 0: Supplier Submission.

The supplier is responsible for submitting "End of Life Announcement" (EOL Announcement) to the Veoneer Lead Buyer when necessary. The SCR Template available in the Veoneer Supplier Manual (VSM) must be used.

Together with the SCR, the supplier is responsible for submitting applicable documents identified in the Change Package Template. It is the supplier's responsibility to use the applicable Change Package template to the type of component. For EOL Announcement the only applicable deliverable might be:

- "Proposed" time schedule.
- "SCR Template".

The Closure of the Phase 0 is associated with the "C.P. Complete" milestone. This milestone is to be signed off by the Supplier. With the approval of this milestone, the Supplier is confirming that the documentation provided (SCR and C.P.) is complete and no item is missing.

Once the "C.P. Complete" milestone is approved, the Veoneer Lead Buyer then shares the set of documentation within the Group (Component Development Manager, Component Engineer, Lead Buyer, Supplier Quality Engineer ...) for the completion of the next "phase".

5.1.2 Phase 1: Exploratory Viability

The objectives of this phase are to review the documentation submitted by the supplier, to ensure that it is complete and compliant, and especially to evaluate the strategy to adopt for the announced EOL (e.g.: to place an EOL order only, to negotiate with supplier to postpone End of production, to qualify another component, to place an EOL order for the time to qualify a new component, or any other strategy applicable to the situation).

The Team in charge of carrying out this phase shall include at a minimum the following functions:

- Component Development Manager.
- Component Engineer.
- Lead Buyer.
- Supplier Quality Engineer.

Depending on the needs and requirements identified to define the strategy, any other "Job function" may be involved in the realization of this phase.

For the definition of an effective identification of the strategy to adopt, the Operation Product Area will be in charge to collect volume required for the remaining life of the Veoneer application affected by the EOL announcement.

The Veoneer Component Development Manager oversees coordinating team activities and organizes meetings required for the smooth running of this phase.

As often as needed, the team will ask the supplier to participate in review meetings to share and explain the documentation provided.

In the event the team determines that the documentation provided by the supplier is incomplete, the "C.P. Complete" milestone will be revised, and the process flow will revert back to "Phase 0".

The Closure of the Phase 1 is associated with the "C.P. Approved" milestone. The approval of this milestone will be signed off by the Component Development Manager in concurrence with the Supplier Quality Engineer and the Lead Buyer.

When approving this milestone, the team will provide applicable recommendations to the CCB Team.

To initiate the VS007 CCB process, the Component Program Manager will create the "Engineering Change Request" (ECR) in the "Product Management" system. All relevant change documentation must be linked to the ECR.
The Component Development Manager will "Yellow" flag affected components and a Component Alert will be issued in the "Product Management" system, so that all Veoneer teams are alerted those components are undergoing an EOL procedure (Last order date and last shipment date must be documented with the flag and the Component alert).

5.1.3 Phase 2: Serial Preparation.

This phase corresponds to the "change initiation" step of the VS007 CCB Process. It is conducted exclusively within the framework of the overall CCB VS007 process. The "Change Leader" is responsible to lead the team activities all along this step until the CCB1 milestone is granted.

In the context of the End-of-Life announcement, the main objective is for the Change Board to approve the need for the evaluation of the strategy for implementation of the EOL (e.g., to place an EOL order only, to negotiate with supplier to postpone end of production, to qualify another component, to place an EOL order for the time to qualify a new component, or any other strategy applicable to the situation).

It is the responsibility of the "Change Leader" to provide feedback to the team regarding the CCB1 approval status, so that the associated SCR status can be updated by the team and information shared with the suppliers.

If for any reason the CCB1 is rejected by the Change Control Board, the status of this "EOL Announcement" will go back to Phase 1: "Exploratory Viability Phase".

Closure of Phase 2 is associated with the "CCB1 Complete" milestone approval. This milestone approval is granted by the "Change Leader". When approving the "CCB1 Complete" milestone, the team confirms that the Veoneer CCB1 has been granted by Veoneer Management and approved in the "Product Management System".

When CCB1 is approved, the Component Development Manager will "Red" flag affected components in the "Product Management" system so that nobody can select them anymore for a new Bill of Material (Date for last order must be documented with the flag).

5.1.4 Phase 3: Validation Plan.

This phase corresponds to the "Change Evaluation" step of the Veoneer CCB Process. Similarly, to Phase 2, this phase is conducted exclusively within the framework of the overall CCB VS007 process. The "Change Leader" leads all activities along this step until the CCB2 milestone is approved.

In the context of "EOL announcement" the main objective for the VS007 CCB "change Evaluation" is for the Change Board to confirm that the team can proceed with the strategy defined in Phase 2 (EOL Order if applicable, Validation for new component ….).

It is the responsibility of the CCB Change Leaders to provide feedback to the team about CCB2 approval status, so that the information can be shared with the suppliers.

If for any reason CCB2 is rejected by the Change Control Board, then the status of this "EOL Announcement" will go back to Phase 1 "Exploratory Viability Phase".

The Closure of the Phase 3 is associated with the "CCB2 Complete" Milestone. The approval of this milestone will be granted by the Change Leader in concurrence with the Supplier Quality Engineer and the Lead Buyer. When approving this milestone "CCB2 Complete", the team confirms that the CCB2 has been granted by Veoneer Management and approved in the "Product Management System".

5.1.5 Phase 4: PPAP Approval.

An End-Of-Life Order, when applicable, will be issued in the context of that phase. It is overseen by the lead buyer, who applies the procedure/checklist available in VSPP. Quantity for the End of life Order will be derived from the volume required for the remaining life of the Veoneer application.

The Closure of the Phase 4 is associated with the "SCR_P5" Milestone. The approval of this milestone will be granted by the Project Supplier Quality Engineer concurred by the Veoneer Lead Buyer. When approving this milestone, the team confirms that End-Of-Life activities Order are completed.

5.1.6 Phase 5: Release for Serial Production

Phase 5 corresponds to the process for SCR Final Approval, and the closure of this phase is associated with the "SCR Full Approval" Milestone.

This phase corresponds to the "Change Validation" step of the VS007 CCB Process. In the context of "End of Life Announcement" It is conducted exclusively within the framework of the overall CCB VS007 process. The "Change Leader" is responsible to lead the team activities all along this step until the CCB 3 milestone is granted

"**SCR Full Approval**" Milestone will be approved by the Change Leader, in concurrence with the Project Supplier Quality Engineer and the Veoneer global Logistic representative.

When approving the milestone "**SCR Full Approval**", the team officially confirms to the supplier that EOL is accepted.

6 Acronyms

CCB: Change Control Board
C.P. : Change Package Documentation
EOL: End of Life
PPAP: Production Part Approval Process
SCR : Supplier Change Request
SQE: Supplier Quality Engineer
SQP: Supplier Quality Project
SCR_SSW: SCR_P5 Samples Submission Warrant
VSM: Veoneer Supplier Manual
VSPP: Veoneer Sourcing and Purchasing Process

7 References

VSM	Veoneer Supplier Manual
VSPP	Veoneer Sourcing and Purchasing Process

8 Modification Index

Version #	Date / Author	Modification	Purpose
1.0	*6-JAN-2022* *Stephane Dumont*	First Version	First Release
2.0	*21-Nov-2022* *Stephane Dumont*	Change "SCR_P5_Interim_Approval" to "SCR_P5_Samples_Approval". Section 4.1.5 , section 4.1.6, and Flow chart were adjusted to reflect this change.	To avoid confusion with "Interim PPAP".