

Supplier Requirements Manual

Revision History

Date	Rev Level	Section(s) Revised	Revised by:	Approved by:
08/08/05	0	Initial release date	T. Costa	G. Andres
04/24/06	1	Added new section 10.5, Supplier notification of premium freight. Removed reference to tooling suppliers from section 2.0 and 4.0.	M. Petrick	G. Andres
07/09/08	2	Logo change, company name changes throughout document, revised 3.0, revised 4.0, deleted form on page 8.	G. Andres	G. Andres

Title: **Supplier Requirements Manual**

Purpose and Scope: Define the quality system requirements and other specific requirements of suppliers conducting business with Polymer Plainfield Companies.

Procedural Process

1.0 **Purpose** The purpose of this manual is to define the policies, procedures and expectations of Polymer Plainfield Companies. The "best practice" and "standardized" procedures contained in this manual are simple, direct and meant to provide guidance to all supplier activities throughout Polymer Plainfield Companies. This manual establishes general policy; however, as appropriate, suppliers may obtain additional information from their Polymer Plainfield Companies purchasing or quality contacts.

2.0 **Scope** This manual applies to all current and future suppliers of production materials, vendors and outside service providers [jointly "Suppliers"] that provide materials, products, and outside services to Polymer Plainfield Companies. The manual outlines minimum activities and defines the quality performance required of the supplier's quality management system [QMS] in providing products or services.

Polymer Plainfield Companies recognizes the importance of maintaining suppliers that support our goal to delight our customers by delivering products / services of superior quality, on time and at a competitive price. Polymer Plainfield Companies Quality System Requirements to suppliers are an essential element of this plan and Polymer Plainfield Companies require suppliers to embrace and fully support this effort. We are prepared to team with suppliers who have demonstrated a commitment to continuous improvement in their product quality by a continual reduction of waste in their processes. It is our further intent to develop desirable and mutually beneficial long-term alliances with our suppliers worldwide.

3.0 **Legal and Ethical Conduct** Maintaining proper legal and ethical conduct is essential to the well being of Polymer Plainfield Companies and the supplier relationship. All suppliers must have policies and practices that ensure adherence to all codes and standards that define necessary requirements. Suppliers of products or materials used in Polymer Plainfield Companies' products shall conform to all applicable regulatory requirements.

4.0 **General Requirements** Polymer Plainfield Companies is committed to the ISO/TS16949 Standard and all related policies and practices.

For all automotive material / service suppliers to Polymer Plainfield Companies, registration to the ISO /TS 16949 is encouraged. Suppliers should, at a minimum, be registered to ISO 9001:2000. Suppliers not registered to either of the above Standards are required to submit to supplier audits by Polymer Plainfield Companies, or their representatives, to assure that the supplier's Quality Management System in place meets the minimum requirements of ISO-9001:2000. Registered or not, this clause does not allow suppliers exceptions to any mandatory documents required by automotive industry, i.e. PPAP, IMDS, etc...

All calibration and test sources must be accredited to ISO/IEC 17025 or national equivalent.

As required by our customers, suppliers of 'special processes' shall complete and submit to Polymer Plainfield Companies upon request any applicable AIAG CQI Assessments.

Third party registration to the applicable quality standard is evidence of conformance. Polymer Plainfield Companies also reserves the right to require self-assessment or assessment by a Polymer Plainfield Companies representative. Formal corrective action responses from suppliers are required for any deficiencies identified during an assessment in 30 days.

This Supplier Requirements Manual is part of the purchase order or contract issued by Polymer Plainfield Companies. Acceptance of the purchase order/contract constitutes acceptance of the requirements of this manual. Additional quality requirements for parts, material and services as specified on the purchase order, contract, drawings or specifications must be satisfied and take precedence over the requirements of this manual. The supplier's obligations may only be modified or waived by Polymer Plainfield Companies in writing.

Failure to comply with quality system requirements may result in a supplier being removed from Polymer Plainfield Companies Approved Supplier List.

Polymer Plainfield Companies reserves the right to revise this manual at any time without prior notice.

- 5.0 **Supplier Approval Process** All suppliers (production material, prototype material and secondary operations) must obtain approved status to participate in any future Polymer Plainfield Companies business, excluding the supply of non-production materials.

Existing production suppliers achieve approved status through demonstrated performance as measured by the Supplier Rating System. Internal Polymer Plainfield Companies procedures are followed to add new suppliers to the Approved Suppliers List. A process approval or quality system audit at a perspective new supplier by a representative of Polymer Plainfield Companies may be required depending on the level of risk.

Production material suppliers must place emphasis on defect prevention rather than detection to provide Polymer Plainfield Companies with defect-free product. The supplier must actively participate in mistake-proofing applications and appropriate statistical process control methods as a proactive approach in achieving higher quality performance goals. When an issue does arise, suppliers must use a systematic problem solving approach to determine root cause and facilitate a closed loop corrective action. Candidate suppliers must demonstrate technical leadership that is committed to total quality, on-time delivery and a competitive advantage based on technology and/or significantly superior processes.

Calibration and test lab sources must be accredited to ISO/IEC 17025 or a national equivalent of the country where the supplier is performing the calibration on the instrument. Suppliers must submit a Laboratory Scope to Polymer Plainfield Companies Purchasing prior to being added to Plainfield Company's Approved Supplier List.

- 6.0 **Supplier Rating System** Suppliers are expected to provide "World Class" performance in the areas of quality, delivery, cost and service. Performance standards for quality, on time delivery, target costing and proactive problem solving support are monitored and periodically reviewed with the supplier. An on-time delivery performance target of 100% is a requirement for all suppliers. Supplier performance is also demonstrated by continuous improvement trends that proactively provide cost reduction opportunities by reducing waste and non-value added operations from the supplier's processes.
- 7.0 **Product Development Cycle** Polymer Plainfield Companies involves suppliers as early as feasible in the product development cycle. Utilizing the concept of concurrent engineering, joint emphasis is placed on optimizing the design of components and processes used to produce products that assure compliance to customer requirements. At this stage, special efforts are made to provide ease of manufacturing and mistake proofing of processes. Additionally, suppliers are expected to participate in appropriate Value Engineering (VE) efforts to further reduce cost of individual components. Suppliers are expected to comply with all aspects of the AIAG APQP Manual [Advanced Product Quality Planning Manual].

- 8.0 **PPAP Submission Requirements** All submission and resubmission requirements will be listed on the purchase order/contract and its attachments (i.e. specification, part print or other written notification.)
- 8.1 **PPAP Submissions:** PPAP documentation is routinely requested from suppliers. All PPAP submissions must be completed according to the AIAG PPAP Manual in its entirety, unless otherwise specified by Polymer Plainfield Companies in writing.
- 8.2 Submission requirements for any process or product changes must be requested in writing through the Polymer Plainfield Companies Purchasing Group.
- 8.3 Dimensional reports must be in the same measurement units as the part print. It is the supplier's responsibility to meet all applicable specifications. Any results outside of specifications are cause for the supplier not to submit the parts and/or documentation. Every effort must be made to correct the process, ensuring all design requirements of the end user are met. If a supplier is unable to meet any of these requirements, Polymer Plainfield Companies is to be contacted, in writing, for further instructions.
- 8.4 Polymer Plainfield Companies must be notified of **ANY** process, tooling, material, design, etc. changes, in writing, by the supplier to the designated Polymer Plainfield Companies buyer. Written approval from Polymer Plainfield Companies must be received by suppliers prior to any / all changes. Material shipped without authorization (deviation) will be rejected by Polymer Plainfield Companies. Such a rejection will affect the supplier's quality rating.
- 8.5 All costs and expenses incurred by Polymer Plainfield Companies as a result of unauthorized changes will be billed to the supplier.
- 8.6 At the discretion of Polymer Plainfield Companies, an on-site audit of the supplier's facility and/or Quality Management System (QMS) may be required. Standard end customer procedures, i.e. DaimlerChrysler PSO, GM Run @ Rate, Ford Launch Readiness, etc., (in addition to the ISO:9001:2001 Standard) may be utilized to evaluate suppliers. As necessary, suppliers will be contacted by Polymer Plainfield Companies to arrange on site audits.

9.0 SUPPLIER CORRECTIVE ACTION REQUESTS CAR's will be issued to suppliers, at the discretion of Polymer Plainfield Companies, upon detection of non-conforming material, late delivery performance or similar issues. CAR's may also be issued should a supplier's overall rating drop into the "Marginal" or "Unsatisfactory" category. A recognized problem-solving technique such as "8D" or a similar structured approach must be used by suppliers in addressing corrective actions. CAR's require a thorough investigation to determine true root cause.

9.1 Immediate containment of all suspect materials is required.

9.2 Initial CAR response time is 48 hours.

9.3 Final CAR resolution is due within 14 days.

9.4 CAR's issued to suppliers are part of the suppliers overall rating system maintained by Polymer Plainfield Companies. Failure to respond within the established time frame will affect the supplier's quality rating.

9.5 Acceptance of final resolutions proposed by suppliers is at the sole discretion of Polymer Plainfield Companies. Final resolutions (corrective action plans) must address the root causes of the original issue and the root cause of the escape.

10.0 Supplier Charge Backs

10.1 Quality defects – Polymer Plainfield Companies, at its option, may request and return at supplier's risk and expense, or retain and correct, goods received that fail to conform to requirements. This is applicable even if the nonconformity does not become apparent to Polymer Plainfield Companies until the manufacturing or processing stage. To the extent Polymer Plainfield Companies rejects goods as nonconforming, the quantities under this purchase order will not be reduced by the quantity of nonconforming goods unless Polymer Plainfield Companies otherwise notifies suppliers in writing. Suppliers will replace nonconforming goods unless otherwise notified in writing. Nonconforming goods will be held by the Polymer Plainfield Companies for disposition in accordance with supplier's written instructions and at the supplier's risk. A supplier's failure to provide written instructions within ten (10) days (or such shorter period as may be commercially reasonable under the circumstances) after notice of nonconformity shall entitle Polymer Plainfield Companies, at our option, to charge supplier for storage and handling, and / or dispose of the goods without liability to Polymer Plainfield Companies.

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- 10.2 Suppliers shall reimburse Polymer Plainfield Companies the product purchase price and associated shipping costs (may be both ways) for all nonconforming goods returned to suppliers. Additionally, suppliers shall pay for all related costs incurred by Polymer Plainfield Companies in connection with nonconforming goods, including but not limited to, increased inspection labor, sorting costs, outside test services, evaluations, storage or rework. This shall be paid within ten (10) days after a debit memo for the costs has been issued. Payment by supplier for nonconforming goods shall not constitute an acceptance hereof, limit or impair Polymer Plainfield Companies right to assert any legal or equitable remedy, or relieve the supplier's responsibility for latent defects.
- 10.3 **Sorting charges** - As assessed by Polymer Plainfield Companies.
- 10.4 **Delivery Delinquencies** – All premium freight charges resulting from nonconforming material and /or late delivery issues will be debited against supplier's account. This may include both in-bound and out-bound freight costs.
- 10.5 **Premium Freight incurred by Suppliers** - Polymer Plainfield Companies is required by TS16949 to track instances of premium freight incurred by OUR SUPPLIERS. All Suppliers are required to notify the Materials Manager at Polymer Plainfield Companies for every instance where the Supplier incurred premium freight in delivering materials to Polymer Plainfield Companies.
- 10.6 **Line-down** – All line-down charges debited to Polymer Plainfield Companies, which are a direct result of either quality defects, or delivery delinquencies of materials (or parts) will be debited back to suppliers. If Polymer Plainfield Companies must make additional set-ups in the manufacturing process, as a result on non-conforming materials, parts, services or delivery issues from a supplier, set-up charges will be assessed back to the supplier.
- 10.7 **Inventory Shrinkage** - Suppliers engaged in outside services (plating, heat-treating, etc...) are expected to maintain control of their processes to eliminate any defective product from being produced and / or loss of Polymer Plainfield Companies product during the various manufacturing / service operations.
- 10.8 **Corrective action request fee** – In the event Polymer Plainfield Companies must initiate a CAR [Corrective Action Request] to a supplier, the supplier will be assessed a \$150.00 handling fee for each occurrence. Chargebacks for nonconforming material are determined by Polymer Plainfield Companies based on the final root cause analysis.



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<u>Security</u>	<u>Document owner</u>	<u>Revision Date</u>
Non-Confidential	G. Andres	07/09/08

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