



# **SUPPLIER REQUIREMENTS MANUAL**

## TABLE OF CONTENTS

|  |       |
|--|-------|
| Management Message.....                                      | 2-3   |
| Corporate Social Responsibility.....                         | 3     |
| Advanced Product Quality Planning / New Part Readiness ..... | 3-4   |
| Production Part Approval Process .....                       | 4-5   |
| Production / Process Changes .....                           | 5     |
| Continuous Quality Improvement.....                          | 5-6   |
| Certification of Analysis.....                               | 6     |
| Containment Policy .....                                     | 6     |
| Supplier Performance & Reporting .....                       | 6-7   |
| Supplier Corrective Action Report.....                       | 7     |
| Record Retention and Disposition .....                       | 8     |
| Cost Recovery Policy .....                                   | 8     |
| Environment/Contract Review .....                            | 8-9   |
| Handling, Storage, and Packaging .....                       | 10-13 |
| Statistical Techniques .....                                 | 13    |
| Gifts and Entertainment .....                                | 14    |
| Break-In Policy.....   | 15    |
| Revision Control .....                                       | 16    |

New suppliers will be required to complete a self-survey if GB Manufacturing team does not schedule a visit to perform an audit. All suppliers are on 60 day terms unless otherwise negotiated.

## **1.0 QUALITY SYSTEMS:**

GB Manufacturing recognizes the Global ISO 9001:2015, IATF 16949:2016, and AS9100 D Standards and other Customer specific requirements as they apply to production and relevant service part organizations. Accordingly, all GB Manufacturing production suppliers are required to establish documents and implement effective production, quality, and management systems compliant with these requirements, including those specified by the customer. When a Global ISO 9001, IATF 16949, and AS9100 revision is officially launched, it is required for our suppliers to update their certifications to meet the new standard in accordance with Global guidelines.

This manual reinforces the GB Manufacturing Purchase Order Terms and Conditions and identifies GB Manufacturing's customer specific requirements. ISO 9001 registration at a minimum is applicable to all supplier manufacturing sites and includes production parts, service parts and production materials. In addition, Production Part Assemblers supplying GB Manufacturing plants with automotive assemblies for our customers. Designated small suppliers lacking resources to implement IATF:16949 or ISO 9001 fully may have certain elements waived by GB Manufacturing, at which time our Quality Manager may be contacted to obtain the written criteria for granting this waiver. GB Manufacturing reserves the right to verify supplier compliance to ISO 9001:2015, IATF 16949: 2016, AS9100 D on-site for those suppliers identified as having a high impact to safety, fit, form, function, quality and / or customer down-time. GB Manufacturing personnel or our customers reserve the right to visit the supplier's manufacturing site to verify quality of purchased products and review supporting documentation. GB Manufacturing does not use or condone the use of Conflict Minerals and/or Restricted Substances and we expect that our suppliers are dedicated to the same adherence to these requirements.

NOTE: Additional GB Manufacturing site(s) or Business Units (s) may mandate additional requirements on their Purchase Order or other written supply agreements.

## **REGISTRATION REQUIREMENTS:**

### **Raw material/chemical suppliers:**

- 3<sup>rd</sup> party registered to IATF16949: 2016.

### **Component/service parts suppliers currently not certified:**

- 3<sup>rd</sup> party registered to ISO 9001:2015.
- Compliant to IATF 16949:2016

### **Component/service parts suppliers currently certified to ISO9001:2015, VDA6.1 or EAQF or AVSQ:**

- Compliant to IATF 16949:2016
- 3<sup>rd</sup> party registered to ISO 9001:2015

## **CERTIFICATE MAINTENANCE:**

- Whenever a supplier receives a quality standard certification for the first time or for renewal, a copy of the certification must be sent to the Quality Department in Delta, OH.
- If certification is rescinded, the supplier must notify the Quality Department in writing within five business days. Certificates or notice of rescinded certificates can be emailed to Quality Manager at [sturner@gbmfg.com](mailto:sturner@gbmfg.com), Scott Turner, Quality Manager.

## **STATUTORY AND REGULATORY REQUIREMENTS:**

GB Manufacturing has communicated all applicable statutory and regulatory requirements within this Supplier Requirements Manual, in the PO terms and conditions, and the letter of compliance. All special product and process characteristics are communicated to our suppliers in each purchase order and a copy of the customer drawing is provided, if requested by the supplier. The applicable requirements need to cascade down the supply chain to the point of manufacture. Suppliers are notified of any changes when they occur. Verification from the supplier of the requirements is made by PO acknowledgement, fulfilling purchase orders, signed letter of compliance, and submitting/maintaining certifications.

## **COUNTERFEIT GOODS PREVENTION**

Supplier agrees and shall ensure Counterfeit Goods are not contained in the Goods delivered to the Buyer through the implementation of policies that include prevention, detection, and risk mitigation methods to protect against the use of counterfeit parts. Supplier shall purchase parts directly from the Original Equipment Manufacturer (OEM)/Original Component Manufacturer (OCM) or from a distributor authorised by the OEM/OCM. Procurement through an independent distributor or broker is NOT Authorised

## **CORPORATE SOCIAL RESPONSIBILITY**

It is the policy of GB Manufacturing Company and our subsidiaries, to follow AIAG guidelines addressing Corporate Social Responsibility. We expect and require our suppliers to follow the same guidelines and hold their subcontractors and suppliers to the same standards.

The guidelines clearly describe our minimum expectations towards business ethics, working conditions, human rights, and environmental leadership. AIAG describes CSR stating “These guidelines are based on fundamental principles of social and environmental responsibility that are compliant with local law, consistent with international expectations and are supported by the sponsoring automotive manufacturers. Individual manufacturers may have their own standards, codes and policies that supersede these guidelines.”

AIAG guideline latest revision will be followed and can be found at [www.aiag.org/corporate-responsibility](http://www.aiag.org/corporate-responsibility).

## **PRODUCT SAFETY and CONFORMANCE**

Suppliers agree to be committed to providing GB Manufacturing with their best efforts at supporting manufacturing, production, and distribution of products and services that conform to all requirements and are safe for GBM and consumer use. Parts with Special Characteristics (SC), or Critical Characteristics (CC) will be Highlighted at the Quoting Process/ APQP for compliance requirements.

### **2.0 ADVANCED PRODUCT QUALITY PLANNING (APQP):**

All suppliers are required to produce advanced quality plans to support the development of new products and/or services, at a minimum of:

- All suppliers are required to report the status of plan activities per Purchasing’s request.
- All suppliers meet or exceed the competency to address aspects of his/her responsibilities.
- All suppliers are required to request prints/specifications if needed.
- All suppliers are required to participate in the GB Manufacturing APQP process, when asked.
- Suppliers are to provide updated Supplier Team Feasibility Forms within seven days of request.
- Failure to provide the Supplier Team Feasibility Form in a timely basis may result in an administrative charge of \$150.00 dollars.
- All suppliers are required to obtain customer consent to share documentation or discuss information that is relevant to our process or suppliers.

### **3.0 NEW PRODUCT READINESS:**

GB Manufacturing Purchasing and Engineering monitor and manage selected suppliers from new product release through the start of production. New product/process launch readiness measures are implemented to ensure that suppliers can produce the product or process in accordance with the requirements of the Purchase

Order. Suppliers are required to stay on Early Production Containment for as long as GB Manufacturing is on launch containment, or for the prescribed interval set forth by GB Manufacturing. Suppliers will be notified in writing should they need to stay on launch containment after it is completed.

### **3.1 SUPPLIER RISK ASSESSMENT:**

GB Manufacturing Purchasing and Quality Manager along with Program Management will review Supplier current performance to determine which supplier's products are to be identified as "key suppliers" and will be tracked. Risk analysis may be required for all suppliers.

Criteria include but are not limited to:

- Past product / process concerns
- Past delivery performance
- Past PPM's

### **3.2 COMPONENT REVIEW MEETING:**

- Component review meetings may be held with selected suppliers to identify key product/process characteristics that must be statistically monitored to ensure stability.
- Component review meetings, and/or receiving site input, will determine packaging and labeling requirements. Shipping trials must be conducted to evaluate the ability of the packaging to preserve product quality.

### **3.3 SUPPLIER DOCUMENT / PROCESS REVIEW:**

- Quality audits may be used to review supplier's documentation and manufacturing site and monitors the supplier's progress in closing any open issues.

### **3.4 LAUNCH SUPPORT:**

- During any program launch at a GB Manufacturing or our Customer's Production Facility, selected suppliers may be required to provide on-site representation at GB Manufacturing, and/or the final customer (if requested).
- The supplier's launch support representative(s) must be knowledgeable, competent, and empowered to make decisions.
- When launch support is requested, the representative must stay in place until released by GB Manufacturing.

### **4.0 PRODUCTION PART APPROVAL PROCESS:**

Suppliers are required to submit and obtain full approval from GB Manufacturing per the latest requirements of the AIAG *Production Part Approval Process (PPAP) Manual*.

- Sample submissions are to be Level 3 unless otherwise specified.
- PPAP samples to be plated or painted at no cost upon awarding business
- PPAP documents are to be submitted to Quality in compliance to the PPAP Checklist located on for approval. PPAP documentation must be provided in the latest revision of the AIAG PPAP forms.
- Electronic prints utilized for PPAP submission must be sent in .pdf. format.
- Six (6) certified samples (per tool/cavity) with the dimensional report are to be submitted to each using facility for a fit and function approval, unless otherwise waived by GB Manufacturing.
- PPAPs over twelve months old are to be updated upon request by GB Manufacturing, regardless of the supplier's business relationship with GB Manufacturing's Customer. Material certifications provided with the PPAP package shall be less than twelve months old.
- Suppliers must provide evidence of materials, substances, and recyclability data submission (IMDS) with every PPAP submission. PPAP approvals will not be granted for packages that do not contain this information.
- Annual layouts and material testing are required to verify continuing conformance using certified gages and/or equipment. This data is to be kept on file at the supplier location and made available to GB Manufacturing personnel within the same business day.
- If requested by GB Manufacturing, or our customer, the supplier shall furnish a complete submission, on

a yearly basis. At minimum, each supplier shall provide a new warrant, new dimensional certification, and new material certifications as a yearly validation, upon request from GB Manufacturing. This shall be provided within five working days of the request.

- GB Manufacturing owned tooling must have an asset tag attached, showing “Property of the GB Manufacturing Group”. Verification of this should be provided by pictures of the asset tags included with the PPAP package.

#### **4.1 PRODUCT / PROCESS CHANGES:**

- GB Manufacturing Purchasing, Engineering, Quality, and all receiving facilities must approve all changes to product and/or process in advance. All changes must have PPAP approval prior to implementation.
- Samples may be required for review to evaluate potential impact on GBMFG processes.
- Level 3 PPAP Submission approval is required unless specifically waived in writing by Quality Manager.
- The supplier requesting the change shall be responsible for all validation costs incurred by GBMFG, including PPAP costs should we have to redo our submissions to our customer. The supplier will also be responsible for any downstream validations at customer sites.

#### **4.2 PRODUCTION LOCATION CHANGES:**

- All production location changes to product and/or process must be requested and approved in writing in advance by GB Manufacturing Quality.
- GB Manufacturing Purchasing and Engineering will facilitate the development of the tool/process move plan with input from the receiving GB Manufacturing Plant and the Supplier.
- The tool/process move plan must be submitted to and approved in writing by Purchasing.
- The tool/process move plan must include the requirements of a production bank (if necessary) to ensure GB Manufacturing’s production and service requirements are not affected. GBMFG materials will establish the requirements for this production bank, and on-site confirmation of the bank may be required before the move can occur.
- Level 3 PPAP submission and approval is required as defined in the latest AIAG PPAP manual prior to the shipment of production material from the new location.

#### **4.3 EXTERNAL PRODUCTION SUPPLIER EXTENDED SHUTDOWN/START-UP AUDIT:**

- GB Manufacturing Purchasing and ALL receiving GB Manufacturing facilities must be notified in writing a minimum of 30 business days prior to a five-day disruption or production shutdown if known. If an emergency arises, the supplier’s emergency contact that was identified in the Supplier Profile will need to contact GB Manufacturing.

#### **4.4 CQI-9 Heat-Treat System Assessment:**

For all applicable components, it is a requirement that suppliers use heat-treat sub-suppliers who comply with the CQI-9 Heat-Treat System Assessment or are certified themselves. Suppliers must ensure that they or their sub-supplier complete the assessment, meet the minimum requirements of the standard, and maintain their compliance. A copy of the finished assessment shall be included in the Supplier Profile for new suppliers. Yearly updates on the assessment will be required.

#### **4.5 CQI-11 Plating System Assessments:**

No lot charges will be accepted for awarded jobs.

For all applicable components, it is a requirement that suppliers use plating sub-suppliers who comply with the CQI-11 Plating System Assessment or are certified themselves. Suppliers must ensure they, or their sub-supplier, complete the assessment, meet the minimum requirements of the standard, and maintain compliance. A copy of the finished assessment shall be included in the Supplier Profile for new suppliers. Yearly updates on the assessment will be required. Plating processes affected by this requirement include, but are not limited to:

- Zinc
- Zinc Alloy Plating

- Surface conditioning of metals for decorative plating
- Surface conditioning of ABS and PCABS plastics for decorative plating
- Decorative plating
- Mechanical plating (all copper silver, gold, passivation, all metal plating addition processes)

#### **4.6 CQI-12 Coating System Assessments:**

For all applicable components, it is a requirement that suppliers use coating sub-suppliers who comply with the CQI-12 Coating System Assessment or are certified themselves. Suppliers must ensure they, or their sub-supplier, complete the assessment, meet the minimum requirements of the standard, and maintain their compliance. A copy of the finished assessment shall be included in the Supplier Profile for new suppliers. Yearly updates on the assessment will be required. Coating processes affected by this requirement include, but are not limited to:

- Aqueous cleaning
- Mechanical cleaning
- Phosphating
- Powder coating
- Electrocoat
- Spray
- Dip/spin
- Autophoretic
- Convective cure

#### **5.0 CERTIFICATES OF ANALYSIS (COA):**

- Suppliers are required to supply COA's or COC's for each shipment of product.
- The COA must be faxed, or emailed to the Purchasing or Quality Department, and or sent with shipment paperwork to be reviewed prior to offloading of material against the current material specification or customer requirement.
- Upon request, copies of this documentation must be made available for GB Manufacturing personnel review.
- Items to be tracked on the certificate of analysis must be agreed upon with GB Manufacturing Purchasing at the receipt of a purchase order. The items outlined on the certificate analysis must include the tolerance band for each specification outlined. No changes may be made to this certificate of analysis without written consent from GB Manufacturing Purchasing. It will remain on file with the purchase order maintained by GB Manufacturing Purchasing.
- Items listed on the agreed certificate of analysis will be considered as the acceptance criteria to be used for the acceptability of that product.
- Lot tracking information must be submitted with certificate of analysis.
- All suppliers shall retain samples of both incoming raw materials as well as finished products for a minimum time equal to the shelf life of the lot, or six months after the production of the lot. Where actual samples are not possible, e.g., unstable, or volatile chemicals, the supplier must maintain records of analysis.

#### **6.0 CONTAINMENT POLICY:**

All suppliers are required to have a containment process to provide additional verification – outside normal processes, prior to shipment. The process must include identifying containment actions, isolating concerns, data collection and implementing corrective actions.

#### **6.1 EARLY PRODUCTION CONTAINMENT:**

Containment is required for new production start-up and engineering changes to contain any failure modes due to the learning curve of new start-ups.

## **7.0 SUPPLIER PERFORMANCE AND REPORTING:**

GB Manufacturing evaluates suppliers based on the following criteria including the flow down of incidents from our customers.

- Rejected Parts per Million (PPM)
- Expedited Freight Costs
- Disruptions
- On Time Delivery
- Performance information is used to prioritize opportunities for improvement within the GB Manufacturing supply base through the Supplier Performance System. It is used to communicate performance to our suppliers and is also used to evaluate future GB Manufacturing sourcing opportunities.
- All changes in a supplier's manufacturing "address/remit to" information, etc. must be communicated in writing to Purchasing who will notify the GB Manufacturing site(s) of record changes.

GB Manufacturing may request a Quality Improvement meeting for top problem suppliers, where attendance is required to present containment/corrective actions. Top problem suppliers are identified based on the following:

- Performance History/ Repetition of Issues
- Responsiveness to SCAR's / concerns
- Expedited freight costs
- Issue Severity

## **7.1 SUPPLIER CORRECTIVE ACTION REPORT (SCAR):**

- The supplier shall be debited for any/all product failure costs determined to be the responsibility of the supplier, regardless of if failure occurred prior to or after shipment to the end/final customer. Product, logistical and service nonconformances/complaints will be reported through a SCAR. This form will also be used to inform the supplier of the request for written corrective action.
- Upon the receipt of a SCAR, the supplier will provide authorization for disposition **within 24 hours**. Failure to make disposition within 24 hours will empower the GB Manufacturing site to make disposition at the suppliers' cost. All materials returned, reworked, and scrapped will be counted against the suppliers' Rejected Parts. (PPM)
- If a supplier does not agree with the SCAR charges, an appeal can be made to the Purchasing Department.
- If shipment of nonconforming or suspected product has been detected by the supplier and is in transit or has been delivered to GB Manufacturing, the supplier must immediately notify the Quality or Purchasing department at each GB Manufacturing receiving location.
- Corrective Action must be reported on the form provided or the supplier's own document **within 24 hours** and include at a minimum interim containment action. Updates must be submitted every five business days until closure.
- There will be no time limit for rejection of production materials. Components and/or raw materials shall remain viable for use throughout the life of a program, regardless of when they were purchased, unless a shelf-life period is assigned and agreed to with GB Manufacturing Purchasing, prior to a written purchase order being given for the materials. Any material that is found to be discrepant at time of use will be returned to the supplier, through the issuance of a SCAR.

## **7.2 REJECTED MATERIALS:**

- The supplier shall adjust receipts upon receipt of a SCAR documenting rejected material. The supplier must base it on production requirements and communication from Purchasing to replace the rejected material in a timely manner.
- GB Manufacturing will determine freight method while minimizing costs to the supplier but will ensure that the end customer does not suffer material shortages. The supplier will get shipping instructions from GB Manufacturing Purchasing department to replace the rejected material. This will be based on customer coverage.



### 7.3 LOT TRACEABILITY:

- The supplier is required to maintain a formal lot traceability system that can identify the status of each individual container of product shipped to GB Manufacturing. At minimum, the supplier shall be able to trace:
  - Date the lot was produced.
  - Time and shift the lot was produced.
  - Time the lot was shipped to GB Manufacturing.
  - Raw material traceability for raw materials used to produce the product.
- This material must be kept on file, and available to GB Manufacturing for further review for the life of the program.

### 8.0 RECORD RETENTION AND DISPOSITION:

Records of product and material conformance are to be retained by the suppliers for a minimum of 5 years and allow GB Manufacturing access to these records.

After the required retention period has expired, records must be disposed of in accordance with the supplier's management system.

### 9.0 COST RECOVERY POLICY:

Suppliers are liable for all costs incurred by GB Manufacturing and end use customers when the cause is the supplier's responsibility, as outlined below:

- **ALL SUPPLIERS** – Charges to suppliers will be based on local rates of the affected GB Manufacturing location.
- **ADMINISTRATIVE CHARGE** - Each Supplier Corrective Action Report (SCAR) has an administrative charge of \$150 (US) covering the collection of data and documentation of the quality incident. This fee may be increased or decreased at the receiving plant discretion and will include any customer charges issued to GB Manufacturing related to the supplier's product. Administration fees will be doubled for each containment break within six months of the initial incident.
- **OTHER CHARGES** - the following types of charges will be calculated at the actual time and costs incurred for the associated action:

### **EXAMPLES OF COSTS THAT CAN BE CHARGED BACK TO THE SUPPLIER:**

- Sorting product
- Rework/Repair/Scrap Supplier Fault
- Positioning of Supplier Fault Scrap
- Premium Freight Costs including Air Charter if Required
- Overtime to Avoid Production Interruption
- Production Down Time for GB Manufacturing and its End Customer
- Sorting of Suspect Material In-House, at Customer Location or Third Party and Contractor Costs
- Tear-Down (Minor, Major, and Complete) and Outside Lab Testing
- Customer Returns Including Hourly Charges, Transportation and On-Site Inspection Services
- Customer warranty charges directly tied to the supplier's products.
- Meeting Customer Environmental Reporting and Documentation Requirements
- Receiving Inspection, Material Handling and Freight Associated with Scrap and Replacement Material
- Transportation Waiting Charges, trailer storage charges
- In case of length discrepancies, roll length will be determined by flat table and tape measure, not true meter
- Repacking of material that does not meet packaging agreement

## **10.0 ENVIRONMENTAL REQUIREMENTS:**

All GB Manufacturing suppliers are encouraged to have an effective environmental management program in place. Third party Registration to ISO 14001 may be required.

## **10.1 OTHER ENVIRONMENTAL REQUIREMENTS:**

- All GB Manufacturing suppliers must work proactively with GB Manufacturing to reduce the environmental footprint of GB Manufacturing's products by complying with the environmental requirements of our customers.
- Materials, substances, recyclability, life cycle assessment (LCA) data, etc. are to be reported according to legal requirements and/or those from GB Manufacturing's customers.
- Suppliers are wholly responsible to ensure that no GADSL prohibited substances are used in the components provided to GB Manufacturing.
- Suppliers are responsible to ensure that no banned substances are used in their products, per the legislative and/or regulatory requirements for the country of origin, and any country where the parts may be used (i.e. The Canadian ban on BNST for March 15, 2015. This would apply to any parts produced in Canada or produced in North American that may be exported to Canada).

## **11.0 CONTRACT REVIEW:**

Service Parts, Pricing and Support Pricing and delivery of service parts must comply with OEM requirements and authorizations.

## **11.1 BUILD OUT/OBSOLESCENCE:**

- The supplier shall have detailed procedures in place defining the responsibilities and methods to be used in Materials to manage build outs and engineering changes to minimize obsolescence.
- GB Manufacturing shall be responsible to purchase raw material and finished goods that the supplier has been authorized to purchase and produce, according to the Material and Fabrication Authorizations. The supplier shall have ten days from the end of production to file the obsolescence claim with GB Manufacturing, unless otherwise indicated by the OEM terms for the final obsolescence claim. The supplier shall submit their claim a minimum of three days prior to the customer deadline, in order that GB Manufacturing have the necessary time to validate the claim and verify the totals prior to submission of the claim to the customer. It is the responsibility of the supplier to verify the obsolescence claim terms with the appropriate person in GB Manufacturing Materials, to ensure that their claim is submitted within the appropriate timelines for payment.
- GB Manufacturing Purchasing Group, and/or their appointed representatives, may audit the obsolete material at the supplier, to validate the claim. This material must be put in an area that allows complete access to all containers, so that it can be readily counted. Failure to make the material available for count may negate the supplier's obsolescence claim.
- The supplier shall receive payment for the obsolescence claim once GB Manufacturing has received payment from the end customer.

## **11.2 SERVICE PARTS, PRICING AND SUPPORT:**

Service requirements are as follows:

- Service parts must be supplied at production pricing with no additional set-up charges for a period of 5 years after final production build out. Thereafter, parts must be supplied at agreed to pricing, for a minimum of fifteen years. The supplier shall be responsible for service for the interval established by the OEM to the Tier One and/or GB Manufacturing, should that exceed the fifteen-year time frame. The supplier shall maintain all PPAP data regarding parts, until the service part interval plus one year has passed.
- An updated IMDS submission may be required for service parts, if requested by the end use customer.
- All suppliers to GB Manufacturing are required to supply parts for past model service in five (5) weeks or less from receipt of purchase order.

- The production supplier must accept service life responsibility including, but not limited to, maintenance and storage of tooling, process control plans, operator instructions, warranties, etc., for the running of all service parts. The production supplier may be responsible to PPAP service parts if required by the final customer, or if non-production tooling is used to provide the service material.
- Upon completion of the required service term, a request must be made through Corporate Purchasing to obtain authorization to dispose of tooling from the OEM. The supplier will be responsible for all storage costs pending resolution with the OEM. Under no circumstances is tooling to be destroyed or disposed of prior to OEM authorization.

## **12.0 HANDLING, STORAGE, PACKAGING, PRESERVATION AND DELIVERY:**

### **12.1 PACKAGING AND LABELING:**

- The choice of packaging could have a significant effect on product quality and is to be considered during feasibility evaluation. Shipping trials must be conducted to evaluate the ability of the packaging to preserve product quality. Packaging must have approval, and the supplier shall not make changes without prior approval by Purchasing. You must use GBMFG Supplier Packaging Instructions.
- Containers shall be ergonomically designed to reduce the exposure to injury when handling pallet-sized containers. Containers shall conform to AIAG size standards. For less than pallet-sized containers, total package weight, when full, shall not exceed 27 pounds. Protective wrapping or specified pallets may be required by GB Manufacturing.
- All suppliers shall operate under written packaging and labeling procedures in accordance with AIAG standards. Each separate unit of packaged product shall have labels on two adjacent sides. Rolled goods shall have at least one label attached to the core in addition to the label on the outer covering. Rolled goods cannot have different shade codes mixed on pallets. Failure to comply with customer requirements on labeling is cause for REJECTION.
- Parts for service must be packaged according to the end use customer's service part packaging requirements, when specified by GB Manufacturing.
- Should GB Manufacturing need to generate a shipping label for a container, in order to use it within our manufacturing system, the supplier who failed to follow the appropriate label guidelines shall be charged a minimum of a five-dollar fee per label generated, plus the standard administration fee for the SCAR generated to collect the labeling fee.
- Any materials that are controlled or that have a specified shelf life must be clearly identified on the label and contain a "Do Not Use After This Date" notation.
- Sample materials shall be clearly identified. Each container of sample material shall have a "Sample Material, ATTN XXXXXX" label affixed to each side of the shipping container. The label shall be of a different shade of material than the standard shipping label, so that it stands out as sample material. Should sample material be mixed on a pallet with normal production material, the pallet must be clearly labeled as "Mixed pallet, sample material enclosed". The Bill of Lading for a shipment that contains sample material must have the sample material on the shipment clearly identified, and must contain the phrase "Sample Material, ATTN XXXXXXXX", clearly identified on the paperwork alongside the part number.
- All containers must have product below the top of the container, so parts are not damaged when stacking.
- If any parts are held for rework we are to be notified immediately with quantity and delivery date.

### **12.2 RETURNABLE CONTAINERS:**

- Expendable packaging will not be accepted unless the supplier obtains written authorization from the GB Manufacturing Purchasing Department prior to initial production shipment.
- GB Manufacturing requires packaging, dunnage, and palletizing product to be returnable, reusable, or recyclable. Reasonable care in use and handling of containers shall be exercised.

- Chronic problems with container damage shall be referred to the GB Manufacturing Corporate Purchasing for equitable disposition.
- If the supplier is not in possession of returnable containers or the containers received are in poor condition, the supplier is to contact the GB Manufacturing Purchasing at locations supplied for direction and resolution.
- Packing slip accuracy is key to ensuring the closing of PO's. If there is a variance for any reason the packing slip must be noted to the verified count.

### **12.3 LABELING:**

- Due to the variety of products purchased and manufactured by GB Manufacturing, component suppliers shall use bar code shipping labels (reference AIAG Trading Partner Labels Implementation Guidelines, AIAG-B-10). These labels require all the following information unless other arrangements have been made with Corporate Purchasing.
- Supplier name and shipping location
- Quantity (net and allowance where applicable)
- Pack date
- Unit of measure (as specified by GB Manufacturing PO)
- Customer inventory code number
- product description
- Country of origin
- Latest engineering level
- Customer part number
- Lot numbers
- Serial number (unique for each roll/pkg)
- GBM's pink label on container must be on container when returned.
- CHEMICAL SUPPLIERS are to label containers smaller than a tanker with the following information unless other arrangements have been made with customer purchasing.
- Date of manufacture
- Lot numbers
- Net weight
- Product identification
- Compliance to all legislative and regulatory labeling requirements related to their products, including proper identification of all hazards and handling requirements.
- To prevent mislabeling concerns on returnable containers, it is the suppliers' responsibility to remove all old labels, or to place new labels over the old labels in such a manner as to completely cover all the information from the old label. Returnable totes must have the control label applied on the release placard between the identification labels.
- When multiple lot numbers are being shipped, the supplier shall list the lot numbers on the bill of lading.

### **12.4 INVENTORY CONTROL LABELS:**

- All materials must be shipped in date-produced order using a FIFO (first in, first out) inventory management system. Chemical suppliers are not required to utilize the above inventory control labels. All chemical suppliers must provide a "Use By, date" on each label.
- Chemical suppliers must ensure that a minimum of six months shelf life be available for all products shipped into GB Manufacturing sites, unless specific written authorization is received from the Materials and Process Managers from the using site, prior to shipment.
- Shelf-life requirements shall be from date of manufacture, not date of shipment.
- The supplier shall be responsible for all costs incurred due to shipment of material outside of the usage window.
-

## **12.5 VOLUME ADJUSTMENTS:**

- The supplier shall assure, through plant utilization records, that manufacturing can support an increase of 20% within five (5) working days.
- If a volume reduction occurs, the supplier should store material on their site, until delivery is called for by GB Manufacturing, at no charge to GB Manufacturing.
- Raw material will be given a two-week notification on obsolescence.

## **12.6 RELEASES:**

- Failure to receive a release does not constitute a reason for short shipment. When a supplier does not receive a release on time, the supplier shall notify GB Manufacturing Purchasing, while using the previous week's release and adhering to the same dates required. The supplier shall review the new release when received and notify GB Manufacturing if there is any chance that the release cannot be met.
- Suppliers are expected to meet the lead-time required. Reduction required within the lead time will not be accepted by the customer as a valid reason to short ship.
- GB Manufacturing will not be responsible for any storage charges due to decreased releases from our customer and may not accept any over shipments. GB Manufacturing will continue to work with the customer and supplier to resolve release volatility issues.
- If non-delivery, delayed deliveries, or short shipments are anticipated, ALL suppliers must immediately notify the Purchasing Department of the receiving location. Supplier concerns regarding meeting volume increases must be communicated to Purchasing within **24 hours** of receipt of the release.
- The supplier must be able to manage GB Manufacturing releases. Releases will show cumulative requirements and must be reconciled jointly between the supplier and customer weekly. The supplier will provide proof of delivery (shipping documents) to reconcile.
- All shipments shall be accompanied by the proper customs documentation to ensure efficient, on time, border crossing. Shipping documents (packing slip, bill of lading, commercial invoice) will reference GB Manufacturing part number and description. If documentation is missing or incomplete, the supplier shall assume all subsequent costs.
- All customs documentation, including commercial invoice, must be emailed, or faxed to GBMFG Customs Broker when load leaves supplier's dock.
- If further information is required, the supplier shall contact the GB Manufacturing Purchasing Department at the receiving location. See the Supplier Customs Information Package located on [www.GBmfg.com](http://www.GBmfg.com)
- Every January, suppliers will supply NAFTA Certificate of Origin to the GB Manufacturing Customs Broker for all materials supplied.

## **12.8 IN-BOUND FREIGHT:**

- The supplier shall have a program in effect with their suppliers, which allows, at any time, for carrier assignment and tracking of in-bound products. The supplier material control activity shall assure raw material and component availability through documented communication between production, manufacturing, and purchasing activities.

## **12.9 OUT-BOUND FREIGHT:**

- Unless otherwise specified, the customer shall be responsible for coordinating freight carrier and schedule. The supplier is required to use GB Manufacturing designated carriers; however, suggestions for improvement may be forwarded to the GB Manufacturing Corporate Purchasing Department.
- The supplier, when utilizing the GB Manufacturing mandated freight lines, shall assume all charges associated with truck "wait-time," in excess of  $\frac{1}{2}$  hour of the appointed arrival time at the supplier facility.
- Supplier's Receiving Load Sheets must contact GB Manufacturing Purchasing if all the requirements on our load sheet cannot be shipped before the truck is released.

- Any charges generated using an unauthorized/ unapproved carrier shall be at the suppliers' expense.

## **12.10 PHYSICAL CONDITION:**

- All trailers are expected to be clean and in good, useable condition. Any trailer damage shall be reported to the carrier prior to loading of product.
- Damage to the load due to faulty carrier equipment or damage while in transit shall be reported to the supplier by the receiver and addressed through an insurance/damage claim filed by the supplier against the carrier.
- If any unsafe conditions exist our employees will refuse to unload the vehicle (floor damage, leaking roof, etc.) Resolutions must be made without affecting delivery performance.

## **12.11 UNLOADING AND TRANSFER OF MATERIALS:**

- All suppliers shall comply with unloading procedures established at each facility. The supplier shall have appropriate training in the use of the transfer equipment, personal protective equipment (PPE) and chemical hazards.
- The supplier is to provide his or her own PPE in accordance with the facility procedure and hazards of the material being transferred.
- In the event of an emergency, all suppliers shall follow plant emergency procedures. It is the responsibility of the supplier to become familiar with the procedures at each location they supply.

## **12.12 AUTOMATED MONETARY PENALTY SYSTEM:**

- It is a GB Manufacturing Forms requirement that all suppliers provide accurate documentation with their shipments to any GB Manufacturing plant, division, or subsidiary location.
- A consistent paper trail, consisting of the Proforma Invoice (for US shipments), Commercial Invoice, packing slip and/or bill of lading, and purchase order, shall be maintained to avoid penalties. Penalties currently range from \$100 to 5% of the declared value of the shipment.
- Any discrepancies in quantity, pricing, or other pertinent information, shall be reported to GB Manufacturing's Corporate Purchasing Manager, within four days of the shipment. Failure to properly report discrepancies shall result in the supplier being charged all AMPS penalties related to the shipment.
- This charge shall be issued to the supplier via a SCAR and will be added to the Supplier Rating system. The charge will be deducted from the next payment to the supplier.
- GB Manufacturing receiving sites shall audit all inbound shipments for compliance, and will report any discrepancies directly to Purchasing, for resolution. Any related charges shall be charged to the supplier via SCAR.

## **13.0 STATISTICAL TECHNIQUES:**

### **13.1 CONTROL CHARACTERISTICS:**

- Characteristics should be mutually agreed upon by GB Manufacturing and the supplier and chosen during Advance Product Quality Planning, Safety Parts and Special/Critical Characteristics are to be reviewed at this time also.
- Characteristics should be based on product function, design intent, fit, manufacturing process or other factors, which may contribute to an out-of-control condition.

### **13.2 KEY PRODUCT/CONTROL CHARACTERISTICS (KPC/KCC'S):**

- When key product/control characteristic designation is identified on drawings, specifications, supply agreements, or purchase orders provided by the customer, the supplier is required to maintain statistical data on that characteristic and be capable of providing it to a requesting plant and/or SQA as requested.

### **13.3 COMPONENT SUPPLIER STATISTICAL DATA SUBMISSION:**

- Additional statistical information may be requested for assistance during problem solving or for variation reduction initiatives.
- It is advised that suppliers submit the data via fax, email or mail and verify receipt of statistical data. It is the supplier's responsibility to ensure that the data reached the appropriate personnel, who requested the information.

#### **14.0 INCOMING PRODUCT QUALITY:**

- Compliance with the IATF 16949 incoming product quality requirements will be established by a combination of the following:
- Review of SPC on KPC/KCC's when requested by the using plant and/or SQA. Attribute SPC may be accepted with the concurrence of GB Manufacturing SQA and Purchasing.
- Inspection at the receiving GB Manufacturing plant coupled with monitoring of the supplier's performance. The acceptable functioning of the supplier's product in the GB Manufacturing plant's process will constitute the inspection process. Non-functional or discrepant parts will be rejected by the SCAR process (7.1). The performance of the supplier will be reported via the Supplier Performance System (7.0).
- 3<sup>rd</sup> party assessment of the supplier to IATF:16949 or ISO 9001. GB Manufacturing may choose to perform a 2<sup>nd</sup> party assessment via the PSO process (3.4). Performance of the supplier will be monitored via the Supplier Performance System (7.0).
- Lab evaluation of the supplied product by a "designated lab". Suppliers with IATF:16949 registration can conduct the evaluation themselves. Other suppliers must utilize a 3<sup>rd</sup> party lab registered to ISO 17025. Annual validations per 4.0 may be used to satisfy this requirement.

#### **14.0 GIFTS AND ENTERTAINMENT:**

- GB Manufacturing recognizes there are times when suppliers or customers will offer our employees' gifts or entertainment opportunities and when our employees may want to offer the same to our suppliers or customers. It is GB Manufacturing's policy that all relationships with suppliers and customers be based entirely on sound business decisions and fair dealing. Business gifts and entertainment can build goodwill, but they can also make it harder for the recipient to be objective about the person providing them. In short, gifts and entertainment can create their own "conflicts of interest."
- **Accepting/Providing Gifts from/to Suppliers and Customers** Gifts must not be lavish and should be nominal in value. For purposes of this policy, nominal means US \$50.00 or less. Cash gifts or equivalents, whether in the form of gift certificates, gift cards, prepaid debit cards or consumption cards, shall not be accepted or provided under any circumstances. If any employee receives any gift in excess of US \$50.00 and such gift cannot be rejected because it may potentially damage GB Manufacturing's business relations with the customer or supplier, then such gift shall: (a) be accepted by an employee on behalf of GB Manufacturing; (b) immediately be turned over to the Human Resources Director. Examples of generally acceptable gifts, assuming they do not exceed the generally acceptable maximum, include: -- Fruit baskets and other foods -- Flowers -- Standard sales promotion, advertising, or publicity items. Any tickets must have supervisors' approval before accepting.
- **Accepting/Providing Entertainment from/to Suppliers and Customers** Business-related entertainment or social contact may be appropriate when properly conducted on a non-lavish, limited basis and must not involve adult entertainment. Employees should make every effort to ensure the nature of entertainment would withstand public scrutiny. Business-related entertainment and social contact must never give the appearance of impropriety. Examples of permissible entertainment include: -- Refreshments before, during or after a business meeting -- Meals before, during or after business meetings or when otherwise business-related -- Infrequent business-related invitations to engage in activities such as golfing, hunting, fishing, sporting, theater or other cultural

events or a dinner invitation when accompanied by a representative of the supplier or customer. If an overnight stay is involved, the employee should consider the nature of the business purpose in relation to the entertainment provided. In any case, the employee must advise his or her supervisor that an overnight stay is involved and obtain approval prior to accepting.

**15.0 BREAK-IN POLICY:**

- Sometimes with little or no notification, product is going to be needed, and delivered immediately with no lead time. It is our policy and process for product that is ordered and needed for delivery within the four-week lead time we must institute a process that will allow us restitution for changing our process. When a customer requests product without the agreed lead time, we reserve the right to assess our customer a minimum break in fee of \$900.00. In addition to this fee other additional costs incurred related to expedited transportation will also be assessed.
- Your CSR will discuss the situation with Planning and Production before communicating a delivery date and fees assessed. Each situation will be reviewed thoroughly. The fees assessed will be based on a case by case basis. The customer will be required to provide a purchase order number for the assessed charges prior to the Break-In occurring.

**16.0 REVISION CONTROL:**

| Rev | REV DATE   | SECTION | CHANGE  | AUTHORIZED BY |
|-----|------------|---------|---|---------------|
| A   | 11/16/16   |         | Release   | M. Short      |
| B   | 9/6/17     |         | Revised multiple changes  | M. Short      |
| C   | 3/1/18     |         | Added terms   | M. Short      |
| D   | 5/4/18     |         | PPAP samples plating/lot charges  | M. Short      |
| E   | 6/11/18    |         | SUPPLIER CSR  | M. SHORT      |
| F   | 7/20/2018  |         | Fixed type o's and corrected revision date on header, formatted header, New Table of Contents, 4.2  | P. Snodgrass  |
| G   | 8/31/2018  |         | Statutory and Regulatory / Cascade added  | P. Snodgrass  |
| H   | 11/27/2018 |         | Updated various type O's and formatting.  | P. Snodgrass  |
| I   | 1/15/2019  |         | Added Conflict Minerals paragraph   | P. Snodgrass  |
| J   | 1/15/2019  |         | Added Customer Consent  | P. Snodgrass  |
| K   | 2/20/2019  |         | Added Restricted Substances   | P. Snodgrass  |
| L   | 6/11/2019  |         | Added Break in Policy   | P. Snodgrass  |
| M   | 12/9/19    |         | Added Counterfeit Clause  | L Ziegler     |
| N   | 3/19/2020  |         | Changed Supplier CSR and details to Corporate Social Responsibility with updated details per customer requirement. Also updated standard names (TS to IATF) | L Ziegler     |



# SUPPLIER REQUIREMENTS MANUAL

|   |            |   |   |               |
|---|------------|---|---|---------------|
| O | 9/8/2020   |   | Updated table of contents; 1.0 Standard rev changes; Updated Statutory and Regulatory to say how we communicate; Remove 4.1 Chemical Suppliers; Update 4.3 to include emergency situations; Update all CQI to require at approve supplier and yearly; Update 7.0 to list flow down from customers and what we report; | L Ziegler     |
| P | 10/25/2021 |   | Update to include Product Safety and Conformity in 1.0 and 8.0 for Record Retention and Disposition   | L Ziegler     |
| Q | 4/11/2022  | 1.0 Certification Maintenance And Revision table to include section revised | Updated contact information of Quality Manager to Current and added Section revised into revision table   | C. Eisenhauer |
| R | 5/25/2022  | 12.3 Labeling; first bullet point   | Updated/Changed AIAG-B-10 Trading Partner Labels Implementation Guideline from AIAG-B-3   | R. Maurer     |
| S | 2/28/25    | 5.0   | Updated for IATF compliance of COA/COC  | S.Turner      |