



# **SUPPLIER REQUIREMENTS MANUAL**

**REVISION No.12**

**Rev Date 07-August-2018**

<b>Plant 1</b>	<b>Plant 2</b>	<b>Plant 3</b>	<b>Plant 4</b>	<b>Plant 5</b>
<b>35 Spruce St</b>	<b>35 Townline Rd</b>	<b>101 Townline Rd</b>	<b>105 Spruce St</b>	<b>460 Industrial Ave</b>
<b>Tillsonburg ON</b>	<b>Tillsonburg ON</b>	<b>Tillsonburg ON</b>	<b>Tillsonburg ON</b>	<b>Woodstock ON</b>

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## 1.0 Communication and Expectations

### 1.1 Purpose

Marwood International is certified to the ISO/TS 16949:2009 technical specification for automotive suppliers and we are dedicated to continually improving our processes and systems. This takes commitment from all our suppliers and employees throughout development, planning, product / process validation, production and delivery of quality products to our customers. The requirements specified in this manual apply to all suppliers providing material, components, service, machinery or equipment directly related to Marwood products.

The communication of Marwood's expectations is the first step for developing strong supplier partnerships. A clear understanding of our requirements with appropriate feedback from the supplier base during the Request for Quote (RFQ) phase is crucial. On time sample submissions with full support and documentation then becomes a key deliverable.

Marwood Purchase Orders define mutually agreed program pricing, volumes, quality and packaging specifications. Weekly forecasts based on customer requirements, are issued for planning purposes. JIT Order Releases define the firm quantity, delivery location and timing requirements. Quality, packaging and delivery requirements need to be met on every shipment. Suppliers must work closely with Marwood Purchasing, Material and Quality departments to ensure on time delivery of product and service, without impacting our customers.

Supplier performance monitoring is an integral component of Marwood's supplier development process. By understanding our performance measurement system and the resulting Supplier Scorecard, suppliers can take appropriate actions to improve their products, services and systems.

This manual describes problem reporting and resolution expectations for suppliers. The Corrective Action process outlined includes the Supplier Non Conformance Report (SNCR) and Supplier Delivery Non Conformance Report formats used to document problem resolution activities. Also included is the method for identifying and fairly assigning costs resulting from non-conforming material, components and services.

### 1.2 Distribution

A copy of this manual and all supplier forms are readily accessible through the Marwood Home Page: [www.marwoodmetal.com](http://www.marwoodmetal.com). This manual is intended primarily for Manufacturing Suppliers that affect, directly or indirectly, product quality.

### 1.3 Contact Information

Marwood contacts for information and resolution of Supplier Issues:

Purchasing Specialist	Alex Solga x5812	<a href="mailto:asolga@marwoodmetal.com">asolga@marwoodmetal.com</a>
Director Of Quality	Ian Demeyere	<a href="mailto:idemeyere@marwoodmetal.com">idemeyere@marwoodmetal.com</a>
Supplier Quality Rep	Eva Abrams	<a href="mailto:eabrams@marwoodmetal.com">eabrams@marwoodmetal.com</a>
Commercial Accounts	Cindy Gasparetto x8231	<a href="mailto:cgasparetto@marwoodmetal.com">cgasparetto@marwoodmetal.com</a>

## 2.0 Request for Quotes and Documentation

### 2.1 RFQ Submissions

Request for Quotes are initiated through the Sales, Engineering, Quality and Purchasing departments at Marwood. When new items or materials are required for quotation, an information package will be sent out via email to prospective suppliers.

Suppliers are to follow the Marwood RFQ format which includes a list of requirements describing our expectations. The supplier should also specify their own criteria to ensure all aspects are understood by both parties. If you need assistance, please contact the person at Marwood who initiated the quote request.

### 2.2 Drawings, Data and Specifications

Marwood's Purchasing Department ensures that each supplier has been provided with the latest drawing, data and specifications required for each material, product or service supplied. The information is coordinated through our Sales, Engineering and Quality departments and in most cases can be directly accessed on our FTP site.

- <ftp://marwoodmetal.com>      Note: username and password will be provided

Drawings, data, standards, specifications, samples or supporting information supplied with the RFQ are the property of Marwood and/or our customer. They are not to be disclosed, in whole or in part, to any third party without prior permission and must be returned to Marwood when requested. A signed confidentiality agreement may be required in some cases.

### 2.3 Tooling and Check Fixtures

Marwood's Engineering department specifies tooling, die and equipment build requirements in the Marwood Tooling and Equipment Specifications manual. Similarly, Marwood's Quality department specifies the check fixture build requirements in the Marwood Fixture Standards manual. Suppliers of tooling, check fixtures and related equipment must work closely with Marwood's Engineers and in the development, validation and delivery phases of each program to ensure timely support of our customers' launch schedules. Engineering and Quality representatives will clarify the requirements.

## **2.4 Engineering Changes, Revision and Document Control**

Engineering changes are controlled by our sales and engineering personnel who are responsible to communicate all revised drawings, data, specifications, information and timing requirements.

Purchasing coordinates the implementation with the supplier(s).

Proper containment and identification of new / changed materials, products or services must be strictly controlled to ensure Marwood receives the required revision level. The supplier is responsible to maintain records of all current tooling, drawings, specifications, data and engineering changes.

Suppliers are expected to maintain procedures to control all quality system documents including those that define process/product/performance requirements.

## 3.0 Sample Submission Requirements

### 3.1 PPAP Submissions

Marwood requires all suppliers of new or changed production materials, ~~or~~ components or processes to meet the requirements of the AIAG Production Part Approval Process (PPAP) manual, 4<sup>th</sup> edition. Sample submission and approval is required for the conditions specified in the manual unless otherwise notified by Marwood.

Level 3 criteria is the default for all submissions to Marwood. 100% dimensional verification must be performed and documented on five (5) parts. Any deviations from these requirements must be agreed upon by Marwood and the supplier and will be specified on the purchase order.

### 3.2 Capability Studies

Marwood and / or our customers will designate all process or product characteristics that require capability studies to be conducted. A minimum of 30 parts that represent the supplier's process or product variation are to be selected for the studies. The supplier is required to control the processes and product quality throughout the program life, at or better than the initial sample submission quality and capability.

The supplier is required to have adequate process / product controls based on the demonstrated capability in accordance with the following table:

<b>Process / Product Capability Index</b>	<b>Judgment and Required Actions</b>
Ppk > 1.67	Capability is acceptable for all parts.
Cpk > 1.33	Capability is acceptable for all parts with non-Safety related characteristics. Improvement is required for safety related items.
Cpk < 1.33	Capability is unsatisfactory. Improvement action and 100% inspection is required. Notification to Marwood is required.

### 3.3 Performance and Material Testing

Performance testing and material certifications requirements as specified on the purchase order, are to be provided from qualified sources utilizing procedures and calibrated equipment traceable to national



standards. Performance testing on raw materials and special coatings is required on five (5) random parts. Destructive testing for fasteners is also required on a minimum of five (5) parts.

Suppliers must submit their product's material and component information into the IMDS system and coordinate the submission with Marwood's Purchasing department. Any lubricant used by the supplier must be compatible with Marwood's welding and other assembly processes. IMDS and Lubricant documentation must be included with the PPAP submission package. Suppliers are also required to complete a designated substance report, as specified by Marwood, to ensure that governmental and safety constraints on restricted, toxic and hazardous substances are in compliance.

All coating subcontractors (plating, e-coat, and powder coating) must include a 30 piece CAP Study for thickness in all places of measurements. The measurement area will be determined by Marwood, and agreed to upon successful quoting.

### **3.4 Timing and Approvals**

Sample submission timing due dates will be coordinated with the supplier by Purchasing. It is imperative that any difficulties that the supplier encounters with the submission or timing, is immediately communicated to Marwood Purchasing. Alternate arrangements will be coordinated with Marwood's Quality department and APQP team where applicable. PPAP submissions are reviewed and approved by Marwood's Advanced Quality Specialist.

***In the event that proper documentation or samples have not been received prior to the requested date, payment will be withheld and any associated costs will be charged back to the supplier.***

## 4.0 Supplier Selection and Performance

### 4.1 Assessment and Selection Criteria

New suppliers are evaluated and selected based on their request for quote approval and quality management system registration status.

Marwood expects all of its production suppliers to be registered to ISO 9001 at a minimum driving towards IATF16949 compliance.

Marwood would accept a business relationship with a company not currently registered with the minimum ISO 9001, under the following circumstances;

- 1) The company is so small that the certification would be onerous. By way of description, this type of company would meet one or more of the following criteria;
  - a. Not have more than one site location.
  - b. Not have more than 10 employees.
  - c. Not have sales to Marwood of more than \$1,000,000.

Marwood will conduct regular assessments of those companies supplying production product, not currently registered to IATF16949, not less than annually, with the intent to drive them toward IATF16949 compliance.

Supplier certification assessments must be performed by an accredited third-party registrar or OEM approved second party. Depending on their registration status, a Self-Assessment and/or On-Site Assessment will be completed for new suppliers. Current and new suppliers with acceptable performance and registration status qualify to be on the approved supplier list.

### 4.2 Supplier Quality System Assessment – Self Assessment

The Marwood New Supplier Assessment (F0253) is available online or through the Sales, Purchasing or Quality departments at Marwood. New suppliers will be required to complete the assessment along with a Company Profile during the initial quoting process. Follow-up reviews by Marwood's Purchasing and Quality departments will be conducted as required.

### 4.3 Supplier Quality System Assessment - On-Site Assessment

Supplier assessments carried out on-site are used to determine whether the supplier has the systems and resources necessary to meet Marwood's requirements. The assessment is conducted by Marwood Quality, Engineering and / or Purchasing departments to verify supplier's capabilities.

### 4.4 Automotive Requirements

All suppliers of materials and components as applicable to manufacturing must comply with current Automotive Industry Action Group (AIAG) manuals for Advanced Part Quality Planning (APQP), Production Part Approval Process (PPAP), Measurement System Analysis (MSA), Failure Mode and Effects Analysis (FMEA), IATF MAQMSR (Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers), Applicable CQI.

- Please refer to [www.aiag.org/publications](http://www.aiag.org/publications)

#### NAFTA

Current Blanket NAFTA Certificate of Origin is required with the initial shipment for each supplier part, and by January 1 of each year thereafter. Suppliers are responsible for any PENALTIES, DUTIES and/or INTEREST CHARGES incurred by Marwood due to errors on the NAFTA Certificate received from the supplier facility

#### IMDS

All product must be registered on the International Material Data System (IMDS) [www.mdssystem.com](http://www.mdssystem.com) immediately upon the initial shipment. All changes to the product must be amended in the IMDS system.

#### Conflict Material

All product received at Marwood International must be CONFLICT MINERAL free.

- CONFLICT MINERAL – As defined in 2010 United States legislation, Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502(4)
- The term “conflict mineral” means –
- (A) columbite-tantalite (coltan, cassiterite, gold, wolframite, or their derivatives; or
- (B) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country. (available at <http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>)

## SRED

The supplier agrees that all or part of the related invoice amount may qualify as a Scientific Research and Experimental Development (SR&ED) expenditure. In such case, where all or a portion of the invoice may qualify as an SR&ED expenditure and, in addition to the fact that Marwood intends to submit this expenditure as part of our SR&ED submission, the supplier agrees to assign the right to claim the aforementioned SR&ED expenditure to Marwood or a related party and thereby forgoes the opportunity to claim the expenditure in the suppliers SR&ED submission.

### **4.5 Evaluation Rating System**

Marwood evaluates suppliers based on Quality metrics and Quality Management System criteria. Performance is monitored utilizing a rating system that includes measurables for quality defects, corrective action responses and quality system registration status.

### **4.6 Quality Performance**

Quality performance is measured using the following indicators:

- Quality SNCR's are issued immediately after confirmation of supplier quality defects found at a Marwood or Customer location, and for reoccurrence of previous problems or defects
- Delivery SNCR's are issued whenever product or service are not received at Marwood within the criteria stated on the Marwood P.O. or JIT order release
- Corrective Action Responses are required to be submitted to Marwood within 5 business days from the issue date of the SNCR report
- Commercial SNCR's are issued whenever documentation, invoicing, payment, terms and conditions and services are not in conformance with the purchase order

Targets and ratings are detailed on the Supplier Performance Evaluation report as follows:

<b>ITEM</b>	<b>TARGET</b>	<b>RATING</b>
PPM	0-10	20
	11-20	15

	≥21	0
Corrective Actions	0-1	25
	2-3	15
	4-7	5
	≥8	0
Late Responses to CARs	0	25
	1-2	15
	≥3	0
Repeat CARs	0	20
	1-3	10
	≥4	0
QMS Registration	Certified	10
	No Certification	0

#### 4.7 QMS Registration Status

Supplier QMS registration performance is measured by the supplier's attained Quality Management System level and is intended to keep suppliers striving towards the goal of becoming IATF16949 registered. Points are awarded as follows:

- IATF16949 registered – 10 points
- ISO9001 – 5 points
- No approved quality management system – 0 points

#### 4.8 Performance Monitoring and Reports

Suppliers are expected to provide world class performance in the areas of quality, delivery, cost and service. Marwood's Quality and Purchasing Department are responsible for monitoring and reporting supplier performance. Supplier performance is also demonstrated by continuous improvement trends

that pro-actively provide cost reduction opportunities by reducing waste and non-value added operations from the supplier's process.

- The overall performance rating categories for Marwood suppliers are:

>95%            Excellent Suppliers

75 – 94%        Acceptable to Good Suppliers

70 – 74%        Probationary Suppliers (Potential New Business Hold)

≤69%            Development Suppliers (Potential Re-source)

It is the responsibility of each supplier to monitor their performance and identify continuous improvement opportunities. The Supplier Scorecard rating is used to initiate Quality Improvement Plan (QIP) activities. Marwood Quality will notify suppliers directed to participate in a QIP along with timing and reporting requirements. Marwood will concentrate its supplier development/evaluation activity on suppliers who fall into the Probationary and Development categories.

#### **4.9 Supplier Evaluation Frequency**

The Supplier Scorecard ratings are compiled and issued to all subcontractors, suppliers exhibiting continued quality spills and any other supplier Marwood Purchasing and Quality departments deem required on a monthly basis, showing the last 12 months of data when available. Suppliers whose score falls under 75% over a 12 month period will be given the below opportunity to improve with Marwood assistance.

Probationary Suppliers: are not considered for new business award contracts unless significant improvement activities are initiated (QIP). Probationary suppliers are not awarded new business and must improve their performance over the next quarter.

Development Suppliers: will be allowed six (6) months under QIP to elevate their performance to the acceptable category. Development suppliers' progress will be dealt with on a case by case basis. Marwood reserves the right to remove suppliers from the approved supplier list for failing to meet contractual requirements.

## 5.0 Forecasts, Ordering and Packaging

### 5.1 Purchase Orders

Once quotations have been submitted and all requirements have been agreed upon, the purchase order (P.O.) will be drawn up for approval. Purchase orders will be either in a “blanket” or “spot-buy” format and will cover the items quoted, price, terms and conditions, duration and any other special requirements. Any changes in timing, volumes, pricing or requirements will be re-negotiated and a revised P.O.

### 5.2 Planning Forecasts

Marwood’s Materials group issues a weekly planning forecast to all suppliers providing production materials and components with an estimate of our usage volumes based on customer requirements. Actual usage may vary from the forecast and Marwood expects the supplier to manage and adjust their inventory availability accordingly. Communication and resolution of mutual difficulties is imperative. Failure to have sufficient quantities on hand causing expedites or delays to Marwood production may result in charge backs to the supplier.

Program build-outs and service parts requirements must be closely coordinated through Marwood’s Purchasing, Materials group and Sales departments. Suppliers are required to accurately control and communicate their inventory levels with Marwood on an ongoing basis to prevent obsolescence charges for all parties.

### 5.3 Order Releases

Marwood’s Materials group emails and/or faxes our requirements for production related materials and components to the supplier using the JIT Shipping Schedule form specifying the part number(s), P.O. number, quantity, specific requirements, tolerances, date required and shipping location. It is the supplier’s responsibility to update Marwood of any changes to acknowledged orders, this may minimize production scheduling changes and avoid unnecessary expedite costs.

### 5.4 Packaging Standards

Material packaging specifications are developed to provide consistency in product preservation, safe handling and compatibility with production and material handling equipment. All specific packaging requirements are described on the purchase orders, forecasts and JIT order releases for each supplier. Packaging of coil stock has the largest impact on Marwood due to the volume, handling and safety issues inherent in these products. Adherence to the specifications provides the basis for material approval and invoice payment.

Marwood's Purchasing department specifies these requirements in the Materials Packaging Standards manual which will be issued to each supplier as they become approved and are also available upon request.

## **5.5 Shipment Documentation**

### Labeling

Each individual coil must be labeled with the following information:

- |                    |                        |                           |
|--------------------|------------------------|---------------------------|
| * Marwood Part #   | * Service Center Lot # | Material Specification(s) |
| * Quantity in lbs  | * Heat number          | Supplier Name             |
| * Mill Coil Number |                        |                           |

(Note: \* indicates the item must be in text and bar code formats)

## **5.6 Material Certifications**

Chemical, mechanical and coating certification, when specified on the purchase order are required for each coil of material supplied to Marwood and must accompany each shipment. Certifications must be maintained on file at the Service center for at least 7 Years.



## 6.0 Problem Reporting and Resolution

### 6.1 Supplier Non-Conformance Reports (SNCR)

When products or services do not meet the quality, delivery and commercial requirements identified on the Marwood Purchase Order, the product, equipment or service will be rejected and result in the issuance of a Supplier Non-Conformance Report (SNCR).

The Part Specification Change (Deviation) Request form is used when the supplier has product that does not conform to the Marwood supplied print and wishes to request permission to ship product. Marwood's Quality department, in coordination with the Engineering department, reserves the right to accept/reject a supplier's request for deviation.

Marwood has identified four areas of opportunity for improvement:

- Product Quality
- On-time Delivery
- Packaging Discrepancies
- Commercial Errors

A Supplier Non-Conformance Report (SNCR) is issued for each failure in these areas and SNCR's are used to track your overall performance. In order to communicate Marwood's expectations when an SNCR is issued, the following actions are required from suppliers.

- Acknowledgement (signed or email response) from the supplier is required within 24 hours
- Containment actions are required within one (1) business day or earlier
- Corrective Action responses (when requested) are required within 5 business days
- Full SNCR closure is required within 10 business days

The SNCR form will be sent to the supplier describing the problem with samples or pictures (when applicable) exhibiting the nonconformance(s). The SNCR will also have the estimated number of defects for the lot(s) of material, the required due dates for certification, root cause analysis and preventive/corrective action. The supplier shall immediately initiate containment actions and interim activities to ensure continued availability of good material to Marwood whether by providing replacement material or by sorting and/or reworking the discrepant material.

The supplier is expected to provide updates to all interim activity through to final verification of the permanent corrective action. A completed corrective action report with supporting documentation and verification must be communicated to Marwood Quality. When additional time is required for completion of the investigation for root cause and implementation of corrective actions, the supplier must notify Marwood requesting an extension with the new expected submission date.

## **6.2 Return Material Authorization**

When material is to be returned to the supplier, Marwood requires a RMA (Return Material Authorization) number from the supplier within three (3) business days from the notification date to the supplier. If return authorization has not been received Marwood will scrap the parts/material.

## **6.3 Supplier Non-Conformance Report Procedure**

*When non-conforming material / product / process is identified*

- Marwood Quality issues a Supplier Quality Alert

A review of the extent of the above mentioned non-conforming issue by Marwood Quality will drive the need for a Supplier Non-Conformance Report (SNCR) using the below criteria:

*SNCR: issued when any of the following situations are found:*

- Marwood customer has received defective product
- Severity / consequence of potential failure at the customer location
- Number of recent repeat issues
- Questionable process (heat treat, plating, coating)

*Director of Quality may over-ride or escalate any of these processes when warranted*

## **6.4 SNCR Response**

The supplier's corrective action response is required to be in a 5-step discipline format.

- Description of Nonconformance
- Containment Action(s)

- Root Cause Analysis
- Permanent Corrective Action(s)
- Verification of Corrective Action

### **6.5 Containment Action(s)**

Once Marwood has identified a problem this information is forwarded to the supplier so that any material in their stock or production can be segregated. If suspect material has been shipped, in-transit or at Marwood, the supplier must notify Marwood Quality or Purchasing Department immediately.

Material at the supplier's location that has been certified must have all applicable shipping containers marked on all four sides of each container with an 8.5x11 inch sheet stating "ATTN QA" until corrective action has been implemented and proven effective. This certification is to be placed under the bar code label, if there is no bar code label then it is to be placed next to the Ship To address. The cert tag/label shall be on every shipping carton until permanent corrective action has been implemented (unless another visual method is agreed upon).

### **6.6 Root Cause Analysis**

This requires the identification of the root cause, not the symptoms of the cause. The supplier is required to describe the root cause of the problem. Was the problem process related? Did a machine or machine operator cause the problem? How was this determined to be the root cause? Could the nonconformance be duplicated under controlled conditions? Are changes required in the process? Will the Process FMEA and Control Plan be updated?

### **6.7 Permanent Corrective Action(s)**

It is important that a detailed analysis has been completed to assure that this nonconformance does not reoccur. Marwood expects the supplier to state in writing the specifics of the changes made to correct the problem and the implementation date of the corrective action.

Material that has been produced since implementation of the corrective action must be identified by placing a cert tag/label on the shipping container(s).

This certification is to be placed under the bar code label, if there is no bar code label then it is to be placed next to the Ship To address. The cert tag/label shall be on every carton for the next 30 calendar

days after the permanent corrective action is implemented (unless another visual method is agreed upon).

### **6.8 Verification of Corrective Action(s)**

Evidence of the effectiveness of the corrective action shall be documented. The type of documentation shall be stated on the corrective action form and be made available to Marwood if requested. Marwood reserves the right to perform an on-site system review of any corrective action(s) for verification.

Suppliers are expected to use 'Lessons Learned' and "Things Gone Wrong" methodologies to eliminate potential risk factors and prospective defects. Suppliers should apply all analysis findings and action items to similar processes within their facilities.

## 7.0 Accountability and Costs

Suppliers are selected based on their ability to provide cost effective, defect-free products, expert knowledge of their product and manufacturing processes, as well as timely, responsive and proactive support. With these expectations, suppliers may be held accountable and responsible for costs incurred due to defective product identified during Marwood manufacturing, installation, or end-customer use of the product.

Our administrative cost structure has been developed to reflect the reality that repeat occurrences greatly increase Marwood's risk to our reputation and the risk that we may pass on a defect to our customer. The cost progression is based on a problem that is repeated. New problems will be dealt with separately.

### 7.1 SNCR Handling Costs:

- Initial occurrence – \$250.00 + any subsequent costs incurred by Marwood and Documented Corrective Action is required within 10 business days

#### Additional SNCR Costs:

- Packaging discrepancies - \$50.00 per coil for re-banding and \$125.00 per extra setup required for small O.D. coils that must be used to meet production demands
- Sort and Rework – assigned to a 3<sup>rd</sup> party containment company at Marwood and the rate applied is \$35.00 per hour (replacement material and rejects to your facility is preferred)
- Material Scrapped – Cost of the material minus the scrap value based on current Marwood pricing at the accepted industry rates
- Downtime – Press and Assembly machine times will be calculated at the standard rate per hour for the affected machine center
- Premium Freight / Other Costs – All costs such as added freight, testing and miscellaneous costs will be charged to the supplier at the actual costs.

SNCR costs are fully documented and debited from the supplier's account. Supplier efforts towards avoiding, preventing and communicating SNCR issues are considered when applying charges. Consistent performance of providing on-time delivery, defect free product and service will reset

occurrence charges to the initial level. The cost reduction will not commence until all previous SNCR's have been signed off and closed.

Our goal is to work in partnership with the supplier base for our mutual benefit and ongoing success.

## **7.2 Development and Continuous Improvement**

The Marwood Quality and Purchasing departments perform supplier development using the IATF16949 quality system standard as the basis. The level of development is dependent upon the needs of the supplier relative to the requirements of the standard and the importance of the product or services they supply.

## **7.3 Supplier Quality System Development**

Marwood employs the following activities for supplier quality system development:

- Technical Specification ISO 9001 Standard as the foundation
- Technical Specification IATF16949
- Marwood's Requirements Manual (this document)
- Marwood's Material, Tooling & Equipment and Fixture Standards manuals
- Supplier Scorecards
- Closed Loop Corrective and Preventive Action Program
- On-Site Assessment or Supplier Self-Assessment
- A hands-on approach for training at supplier facility

All suppliers of material must place emphasis on defect prevention rather than detection to provide Marwood with defect-free product. The supplier must actively participate in mistake-proof applications and statistical process methods where applicable as a proactive approach in achieving their quality performance improvement objectives. The supplier must use a systematic problem solving technique approach to determine root cause and facilitate closed loop corrective action.

## **7.4 Supplier Sub-Contractors**

Suppliers are responsible for sub-contracted products and services used in product sold to Marwood. It is expected that suppliers work closely with their sub-contractors and monitor their quality level. Sub-supplier development is encouraged. Marwood reserves the right to request and perform necessary assessments at sub-contractor facilities.

## **7.5 Restricted Substances**

Restricted substances listed below shall not be used on any product/ service supplied to Marwood. Studies have shown that these substances are harmful and some are even cancer causing agents. Products supplied to Marwood shall not contain:

- Hexavalent chromium
- Lead (only applies to paint coatings)
- Cadmium
- Mercury
- PBB's (polybrominated biphenyls)
- PBDE's (polybrominated diphenyl ethers)
- Deca-BDE
- Octa-BDE
- Penta-BDE
- Other-BDE

## **7.6 Automotive Warranty**

All applicable suppliers are responsible for their product through to the end of vehicle life. Post-production defect claims reported by the end customer are qualified, tracked and reported by Marwood. Costs related to such claims are the responsibility of the supplier.

### **Supplier --> Marwood --> Customer --> Consumer**

Marwood is dedicated to being a world class supplier to our customers. We are looking towards our suppliers for top-notch, first-class support as a means of achieving this goal. An internal team of personnel has been identified at Marwood as a means of ensuring outstanding teamwork and supplier support. Assistance and training will be offered in order to help strengthen our partnerships. Our

Customers face strong competition and their expectations challenge our resolve. Communicating and achieving expectations represent immediate and future progress and success.

### Revision Log

REV	DESCRIPTION OF CHANGE	DATE
5	Added criteria to issue SNCR	01-Sep-14
6	Added weekly scrap report requirement	10-Oct-14
7	Added all coaters, 30 pc CAP study to PPAP section	31-Oct-14
8	1-Removed Supplier Quality Rep and added Plant Managers & Sr. Group Leaders for subcontractor weekly scrap reports 2-Updated PPAP Submission section (Pg. 4) 3-Updated Return Material Authorization section (Pg. 13) 4-Corrected Ppk to read 1.67 (not Cpk)	13-Jan-15
9	1-Added Plant 5 (Cover Page) 2-Updated Table of Contents & added number ref to each requirement 3-Updated Contact Information for Quality Contact (1.3) 4-Updated Assessment & Selection Criteria (4.1) 5-Updated Supplier Quality System Assessment – Self Assessment (4.2) 6-Updated Supplier Quality System Assessment – On-site Assessment (4.3) 7-Updated Automotive Requirements (4.4) 8-Updated Quality Performance removing delivery performance criteria (4.5) 9-Updated Evaluation Criteria (4.6) 10-Updated QMS Evaluation criteria (4.7) 11-Updated performance rating categories (4.8) 12-Updated Supplier Evaluation Frequency (4.9) 13-Updated Supplier Non-Conformance Report timing (6.1)	01-Jun-16
10	1-Updated Contact Information to include Director of Quality (1.3)	21-Jul-17



	2-Updated PPAP Requirements to include Process Changes (3.1) 3-Updated Supplier Evaluation Frequency (4.6)	
11	1-Updated for IATF changes 2-Updated for name change	13-Jul-18
12	1-Update for missed name change	07-Aug-18