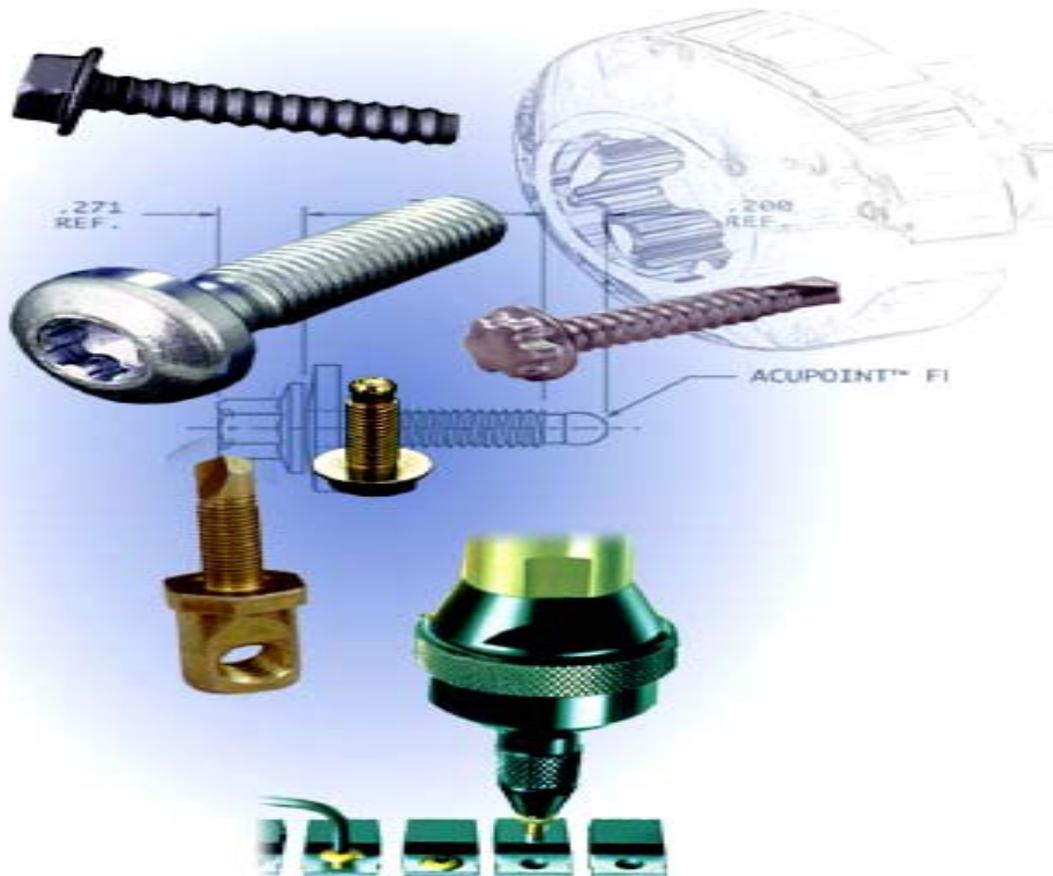


# Supplier Requirements Manual North America

For use with current ISO/TS 16949 and ISO 14001 editions



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## GENERAL

Throughout this Supplier Requirements Manual, the term AGT is understood to mean Acument Global Technologies and their affiliate companies. This Supplier Requirements Manual applies to all external direct suppliers, including customer designated suppliers, to AGT - North American business unit.

## STANDARDS OF BUSINESS CONDUCT

As AGT employees, we are expected to carry out the company's business with honesty, integrity and high ethical standards, and in compliance with the laws and regulations of the countries in which we conduct business. These standards must govern our conduct when making decisions which affect AGT.

## CONFLICTS OF INTEREST

AGT respects the right of all employees to engage in personal activities outside of work. However, each of us has the responsibility to avoid activities which conflict or appear to conflict with our job responsibilities or the interests of AGT. Any employee activity which may involve a conflict of interest or even the appearance of a conflict of interest must first be approved by the employee's direct supervisor with the assistance of the employee's ethics/compliance officer or AGT legal counsel.

The following are examples of conflicts of interest:

- Engaging in employment or any other activity that interferes with our ability to devote the required time and attention to our job responsibilities at AGT.
- Holding a significant financial interest in a current or prospective customer, supplier or competitor of AGT, or serving as an employee, consultant or director of that business.
- Directing AGT business to a supplier owned or managed by a relative.
- Using confidential company information or improperly using company assets for personal benefit or the benefit of others.

## GIFTS AND ENTERTAINMENT

Each area where AGT operates has local customs for giving and receiving gifts and entertainment. We must avoid exchanging gifts that exceed customary amounts and frequency. Such actions can harm our reputation as a Company (referring to AGT) that buys and sells solely on the basis of quality, reliability and price. As a general principle, we are committed to acting with integrity and transparency.

Employees must follow the guideline that all gifts and entertainment, whether given or received, must be of a value of U.S. \$50 or less. The giving or receiving of gifts of a value in excess of U.S. \$25 requires the approval of the employee's direct supervisor with the assistance of the Company Compliance Officer/General Counsel. Any gifts which are not permitted or have not been approved should be declined or turned over to the Company.

## ENVIRONMENTAL PROTECTION, HEALTH, & SAFETY

We are committed to being an environmentally responsible company and to providing a safe and healthful workplace for all employees, visiting suppliers and stakeholders.

We comply with all applicable environmental, health and safety (EHS) laws and regulations in every county in which AGT does business. Where there are no environmental, health and safety laws, or where the legal requirements do not adequately protect the environment or workplace, AGT takes appropriate action. Environmental, health and safety managers and Company legal counsel are available to provide information on applicable laws and regulations.

## C-TPAT COMPLIANCE OR CERTIFICATION

C-TPAT is a joint initiative of U.S. Customs and Border Protection and the trade community that was established in 2002 (and revised in 2005) to reduce the threat of terrorism by means of protecting the integrity of cargo imported into, further processed or warehoused in, and/or exported from the United States. All suppliers to AGT are required to adhere to C-TPAT requirements in accordance with the criteria identified on <http://www.cbp.gov>, for importers.

## CONFLICT MINERALS

Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten, gold and other designated minerals (collectively, “Conflict Minerals”) from the Democratic Republic of the Congo and adjoining countries (“Covered Countries”). Accordingly, Supplier commits to comply with Section 1502 of the Act and its implementing regulations. In particular, Supplier commits to implement a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides to Buyer; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the Covered Countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

## EQUAL OPPORTUNITY

**EEO Clause for Veterans:** This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This rule prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

**EEO Clause for the Disabled:** This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This rule prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

## STANDARDS

Throughout this Supplier Requirements Manual, the term AGT is understood to mean AGT Global Technologies and their affiliate companies. All suppliers shall conform to the latest issue of the appropriate standards as follows:

- Component Parts and Fasteners - ISO/TS-16949
- AGT Customer-Specified Materials – ISO/TS-16949
- Chemical and Raw Materials - ISO 9001 and/or ISO/TS-16949
- Other Direct Suppliers - ISO 9001
- Commercial – ISO 9001
- Calibration and Laboratory Services – ISO/IEC 17025
- Other Industry Specific Standards as applicable, and/or as contractually obligated

## EXCEPTIONS

Conformance with these requirements may only be waived by AGT purchase order, AGT purchase contract, or in writing from an AGT Purchasing representative, with concurrence of the AGT North American Quality Director.

\*Original equipment manufacturers may be utilized as calibration suppliers to calibrate equipment that they originally manufactured. In the case of a non-accredited OEM, AGT encourages the OEM to achieve accreditation to ISO/IEC 17025. The OEM may be considered acceptable for traceability if they meet and provide a number of essential elements to AGT to submit to ACLASS for review and consideration. (Refer to ACLASS ISO/IEC 17025 Accreditation Requirements – Document 3 – Section 7.6)

## REQUIRED REFERENCES

For suppliers that meet the applicability requirements of ISO/TS 16949, The Automotive Industry Action Group (AIAG) has published several manuals that standardize procedures, reporting formats, and technical nomenclature which are required by Fiat-Chrysler, Ford, General Motors and other subscribing customers. It is necessary to obtain current editions of each of these manuals to fully comply with the

requirements of ISO/TS16949 and AGT's expectations of its suppliers. Copies of these publications can be ordered from AIAG at <http://www.aiag.org/Index.cfm>

- Quality Management System Requirements (ISO/TS 16949)
- Production Part Approval Process (PPAP)
- Fundamental Statistical Process Control Reference Manual (SPC)
- Measurement Systems Analysis Reference Manual (Gage R & R studies)
- Advanced Product Quality Planning and Control Plan Reference Manual (APQP)
- Potential Failure Mode and Effects Analysis Reference Manual (FMEA)
- CQI-9 Special Process: Heat Treat Assessment (Heat Treat suppliers)
- CQI-11 Special Process: Plating System Assessment (Plating suppliers)
- CQI-12 Special Process: Coating System Assessment (Coating suppliers)

### **CUSTOMER SPECIFIC REQUIREMENTS**

In addition to the manuals listed above, Suppliers are required to obtain and comply with the following standards/specifications, as applicable:

- AGT Material Specification - AGT-2282 (suppliers of steel)
- AGT Heat Treating Specifications - AGT-097 & AGT-106 (suppliers of heat-treated products or services)
- OEM / Prime customer specific manuals and specifications as they apply to the suppliers end item customer base

Exceptions to these requirements shall be documented in AGT - North American Purchase Orders on a case by case basis.

### **APPROVED CERTIFICATION BODIES**

AGT requires third party accreditation by certifying bodies that maintain IATF, ANAB, and/or national bodies accreditation.

### **MANAGEMENT RESPONSIBILITY**

In addition to the requirements of applicable industry standards, each supplier shall maintain an organization chart that shows personnel who are responsible for each element of the quality management system and their lines of authority and responsibility. This document and the Quality Policy shall be available for AGT review.

### **DISTRIBUTION OF AGT NORTH AMERICAN SUPPLIER QUALITY MANUAL**

This manual is written under the direction of AGT Supply Chain and AGT Quality. AGT Supply Chain, AGT Quality and/or purchasing personnel, issues controlled copies of the manual. AGT Supply Chain issues one electronically controlled copy to each supplier location.

Manufacturing facilities and suppliers may make uncontrolled copies for internal use only. However, such uncontrolled copies will not be updated. It is recommended that each supplier contact the appropriate AGT Supply Chain representative to obtain at least one controlled copy for each facility that supplies products or services to AGT.

## **SUPPLIER/CUSTOMER PARTNERSHIP AGREEMENT**

AGT realizes that only by developing partnerships with our suppliers will we be able to achieve the goal of exceeding the expectations of our internal and external customers. In an effort to establish a basis for these partnerships, AGT has established the following guidelines for conduct with our suppliers.

### **ACUMENT GLOBAL TECHNOLOGIES COMMITMENT**

AGT is committed to:

- providing clear communication of our expectations including:
  - quality system requirements,
  - material specifications,
  - technical requirements,
  - delivery expectations,
  - cost reduction goals,
  - minority sourcing goals,
  - quality improvement goals,
  - customer service expectations,
- evaluating and selection of new suppliers based on their ability to meet our expectations,
- providing feedback to suppliers on their performance to those expectations,
- establishing relationships with suppliers who meet and exceed expectations, and
- acting in an open and ethical manner, treating each supplier with trust.

## EXPECTATIONS OF SUPPLIERS

- AGT expects our suppliers to:
- Meet and/or exceed AGT expectations,
- React with concern when AGT expectations are not met, by taking immediate steps to resolve deficiencies and by implementing corrective and preventive actions to prevent recurrence within 10 days of occurrence (unless otherwise agreed-upon by AGT),
- Embrace the concept of never ending, continual improvement and zero (0) non-conformances in all aspects of AGT expectations,
- Show a willingness to establish relationships with AGT,
- Act in an open and ethical manner, treating AGT with the trust,
- Strive for prevention in place of detection when developing products and processes,
- Support cost reductions similar to those required by OEM's,
- Support Lean Manufacturing,
- Support APQP,
- Support problem solving process to identify root cause and fix issues with permanent solutions,
- Achieve and maintain applicable industry standards
- Be ASN capable (if required),
- Provide Master Pallet Labels, as required (Purchased Parts Only),
- Strive for 0 PPM,
- Maintain "Pay on consumption" inventory reduction program (JIT, consignment, etc.),
- Accept AGT Supply Chain purchasing methods, releasing, and forecasting,
- Support Product Development Team's (PDT's) and launches,
- Target price consistent with our agreements,
- Meet or exceed our customer agreements for Year-Over-Year improved economics at best-in-class pricing,
- Maintain a documented program of continual improvement,
- Provide SDS (formerly known as MSDS) upon request,
- Consider our recommendation to set up an environmental, health and safety management system based on ISO 14001.

## AGT RIGHTS

AGT reserves the right, in conjunction with or through its suppliers, to:

- review subcontractor's documentation required by this Supplier Quality Manual, other AGT requirements or ISO/TS 16949 (or other applicable industry standard)
- have access to the subcontractor's premises or working area so that the supplier and AGT can verify that the subcontractor is conforming to specified requirements

AGT reserves the right to de-source suppliers holding active certifications that do not meet minimal contractual requirements.

## KEY SUPPLIER PERFORMANCE MEASURABLES

As part of our continual improvement efforts, AGT will track the following supplier performance measurables and work with key suppliers to improve them.

## KEY SUPPLIER PERFORMANCE EXPECTATIONS

### Quality Performance

Customer Disruptions (including Field Returns)	Zero Rejections
Incidents of Premium Freight (Supplier Responsible)	Zero Incidents
Level I or Level II Containment Notifications	Zero Notifications
On-Time Delivery	100% On-Time

## KEY SUPPLIER RATIONALIZATION (AS APPLICABLE):

### PERFORMANCE

The Final Response Time to Requests for Corrective Actions done by the assigned due date or agreed upon date with AGT operations, 10 calendar days is default.

The Percentage of first-time and on-time PPAP Accepted is expected to be 100%

### ASSESSMENT

Suppliers shall have action plans and measurable to reduce costs and pipeline of projects to continuously improve to maintain best-in-class pricing.

## SUPPLIER PERFORMANCE

Suppliers that fall below AGT expectations will be notified. Such notification may require that corrective action is sent to AGT SQE with copies to the AGT buyer. Failure to comply with a request for corrective action will result in a second notification requiring documentation presented at AGT location. Failure to comply with second notification will result in supplier being placed on quote hold and/or probation. Failure to comply with the second notification may result in the supplier being resourced.

## QUALITY SYSTEM

The supplier's Quality Manual, policies, and procedures shall be available for AGT review.

### Quality Management System

#### 1. Quality System Registration

This manual defines the procedures and requirements that involve our suppliers and sub-suppliers. All Suppliers are required to be 3rd party registered to current edition of ISO/TS 16949 or at a minimum ISO 9001 with the ability to demonstrate compliance to ISO/TS 16949 (refer to the ISO 9001, ISO/TS 16949 current versions available through AIAG) and certification to the current edition of ISO 14001.

In addition, suppliers and sub-suppliers shall work to comply with CQI-19 (available through AIAG) for the purposes of controls and systems driven performance. This requirement is specific to our process (manufacturing value stream) suppliers.

This manual applies to all suppliers (direct) and sub-suppliers that do business with AGT Global Technologies (referred to as AGT), and its plant location designations (Camcar LLC and Ring Screw LLC). This manual does not alter or reduce any other contractual requirements covered by purchasing documents or requirements of engineering drawings or specifications. This manual describes the minimum requirements expected and is applicable to all (production, non-production) material, and service suppliers whether the products and/or services are provided directly or indirectly through sub-suppliers.

Potential Suppliers who currently are not registered to a Quality standard; such as, small job shops or outsourced 3<sup>rd</sup> party providers, may be scheduled for a 2nd party audit to assess compliance to the required standards (see Supplier Quality Assessments\*). Suppliers who do not meet this criteria are expected to begin the registration process to ISO/TS 16949 current version immediately (refer to 1<sup>st</sup> paragraph above). The Supplier must provide AGT Global Technologies Purchasing, Supply Chain and Quality Departments with an action plan for review and approval. The approved action plan must reflect detailed timing of the registration process. Please contact the specified AGT facility if this is applicable.

Where certification to Federal Regulations; such as, the Federal Motor Vehicle Safety Standards published under Public Law, are applicable; the supplier is required to certify compliance of the product with such standards prior to initial production shipments and as required thereafter. The written certification, with supporting test data, shall be directed to the Quality Assurance Department Quality Manager, at the appropriate AGT facility, and is in addition to original compliance documentation.

#### 2. Request for Quotation

Prior to award of any business, the supplier will be expected to complete an AGT RFQ with complete detailed cost breakdown. Should a discrepancy between the supplier's layout and our layout occur, then our layout is to be followed. Directed buys or single-sourced product does not have to follow this requirement.

#### 3. Supplier Quality Questionnaire

A Supplier Quality Questionnaire, AGT-003 as shown in Appendix A, shall be completed with new Suppliers under consideration for award of business. All potential new suppliers may be subject to pre-award audit that will be conducted by AGT's Supplier Quality team. During this audit, AGT will assess the risk level of each supplier for each part being supplied.

New suppliers shall complete the Supplier Quality Questionnaire or when a “major change” takes place. The supplier shall send the completed questionnaire to the the AGT Supply Chain - Purchasing group

A “major change” is defined as, but not limited to:

- acquiring additional companies,
- addition/deletion of capabilities,
- change in process of product certification or licensing,
- change of ownership,
- expansion of new facilities,
- change in product mix,
- address change
- legal name change
- change in equipment used to process AGT component

#### **4. Supplier Quality Management System**

AGT is committed to continually improving our supply base and is requiring that all suppliers of component parts and secondary processors be registered to ISO/TS-16949 or ISO 9001 or the applicable industry standard(s).

All suppliers of laboratory and/or calibration services are required to be accredited to ISO/IEC 17025 (except original equipment manufacturers).

Suppliers are required to provide a copy of their current registration to AGT Supplier Quality. If a supplier is not currently certified, the supplier is required to provide a date when their facility will be registered. Exceptions to this rule can only be negotiated with an AGT Purchasing representative. All AGT plants are ISO/TS16949 or ISO 9001 registered.

AGT may publish new goals for these objectives at our discretion. Suppliers demonstrating their ability to meet and exceed these goals on an ongoing basis will be recommended for preferred supplier status. Suppliers with preferred status will be given the opportunity to participate for long term agreements.

All key direct suppliers, including customer designated suppliers, are required to meet these requirements. AGT reserves the right to contact a supplier’s registrar if the supplier does not resolve quality problems in a timely manner.

#### **Supplier Quality Assessments**

AGT will require the suppliers to assist in conducting self-assessments (Supplier Quality Assessment) and/or audits to ensure the quality of the product or process being provided AGT. This assessment is not considered as a 2nd party assessment as required by ISO/TS 16949 and customer-requirements. Findings during these audits should be used to develop action plans to insure compliance and solid scoring in the 2<sup>nd</sup> party audits. In addition, this practice is integral to continuous improvement.

### Supplier Survey/Audits, Performance and Approved Supplier List

AGT evaluates and selects new suppliers, and evaluates current suppliers, on their ability to meet its requirements. This selection / evaluation process takes place in a cross-functional team environment led by the AGT Supply Chain function. AGT Supply Chain maintains the Approved Supplier List. Criteria used to determine eligibility for this list is as follows:

Suppliers who are registered to TS 16949, ISO 9001, or who have been audited by an AGT customer may, at the discretion of AGT, have the initial on-site audit waived.

On-site audits of suppliers may be conducted at a frequency determined by AGT Purchasing, SQE and/or AGT Quality. In some cases, suppliers who have successfully completed a third party audit (including AGT customers) will not be audited by AGT. Audits shall be performed using the requirements of the applicable industry standard and this manual.

### Audit Results

At the end of an audit the supplier shall receive written report summarizing the findings and explaining any corrective action that may be required. The lead auditor will distribute an audit report within AGT. The supplier shall receive a copy of this report. A corrective action plan is to be submitted within 30 days of the audit.

## 5. PPAP

As part of the PPAP process sub-suppliers for AGT Global Technologies must adhere to the AIAG guidelines for Level 3 PPAP submission as default and have a form of APQP system in place.

AGT requires a full PPAP submission unless otherwise detailed in the Purchase Order. Level 3 is the default level for all PPAPs; however, the receiving AGT plant may require at its discretion a level 4 or 5 based upon priority, risks, or new supplier. Any deviation to the Level 3 default will be provided to the supplier in writing. PPAPs must conform to the latest final customer specific requirements. If the supplier is unaware of the final customer or the customer specific requirements, it is the responsibility of the supplier to contact the receiving AGT plant for specifics.

AIAG provides manuals including PPAP, FMEA, Control Plans, MSA, etc. that to reference for PPAP submissions. Customer Specific Requirements take precedent over AIAG requirements. It will be the responsibility of the Supplier to ensure that the PPAP reflects the latest revision level of the controlled drawing used by AGT.

It is the responsibility of the Supplier to adhere to and incorporate into their systems any appearance items or special characteristics as directed by either OEM print driven items for AGT requirements and overall customer satisfaction. Pass-through characteristics must be documented on the PFMEA and Control Plan and validated at the supplier with adequate controls and under the oversight of the AGT Plant QM and the AGT Supplier QE.

AGT requires proper advanced notification and consent prior to any process or material changes. For supplier-initiated changes, it is the supplier's responsibility to notify AGT and submit for part approval prior to the first production shipment. This applies to all situations identified in Table 3.1 and Table 3.2 of the AIAG PPAP Manual, 4th Edition. This includes location changes and signification changes to equipment parts are processed with/in/by. In some cases, AGT may waive this requirement; when this happens, the supplier must review all items in the PPAP (FMEA and Control Plan specifically) and update them as necessary to reflect the current process.

Suppliers are expected to submit PPAP packages, in their entirety, to the appropriate plant Quality Manager or designate before the agreed-upon date. AGT will review the submission and give one of three responses:

1. Full approval indicates that the part or material meets all specifications and requirements. The supplier is authorized to ship product. Unless otherwise agreed on, supplier can only invoice for tooling when they achieve full PPAP approval.

2. Interim approval permits shipment of production for production requirements on a limited time basis. The supplier must submit, at the time of PPAP, an action plan to address the issues preventing the PPAP from obtaining full approval.

3. Rejected means that the submission does not meet the specifications and requirements. AGT will state the reasons the submission was rejected on the PPAP warrant and return the warrant to the supplier. A corrected PPAP must be submitted and approved before the supplier can ship product. Tier-2 suppliers are responsible for the PPAP submission and approval of subsequent tier used in the processing or manufacture.

### **5A. Annual Validation**

As AGT is required by certain customers to provide annual validation for process controls and adherence, the sub-tier suppliers to AGT will also be required to provide annual validation data in advance of AGT's required submission date(s). It is the responsibility of the sub-tier to track due dates and provide SPC information and any applicable FMEA or Control Plan modifications and/or upgrades during this time.

As previously noted any significant changes to process [location, material usage, appearance or structural changes, packaging, dunnage, etc.] must be approved in advance by AGT's quality and supply chain departments prior to any changes being initiated. If these changes are noted at the time of an annual validation then all material provided in the time frame between the previous validation period and the current will be considered suspect. Sub tiers will be subject to significant financial penalties and possibly de-sourced.

In addition to the above, annual validations must be accompanied by the following documents to show continuous improvement and outside certification maintenance:

- a) TS 16949 and/or ISO 14001
- b) CQI Special Assessments including Tier Suppliers supporting AGT Programs
- c) Self Assessment (Supplier Quality Assessment form)
- d) Updated Key Contact List with any updates.

### **5B. Material Certifications (AMDS)**

A copy of the actual physical or testing measurements detailed in the OEM specification must be maintained on file at the production location and available upon request. Reference examples:

#### **1. Plating/Coating**

- Customer Specification to which material was tested
- Min/Max Specifications and Values
- Lot/ Batch Number for Traceability
- Estimated Quantity Shipped

#### **2. Metals (ref. AGT-2282, latest revision found at [www.acument.com](http://www.acument.com))**

The material supplier shall furnish with each shipment a signed test report certifying the following minimum information. Furthermore, the test(s) requested will be based on agreement between the purchaser and supplier.

- a) Date that the certificate was issued
- b) Steel supplier and address
- c) Mill source and address (if different)
- d) ID of purchasing AGT operation
- e) Purchase order number
- f) Material grade\* and conditions (e.g. HRA, SAFS, AKFG, SKCG, etc.)
- g) Wire or rod size
- h) Coil weight
- i) Heat number
- j) Chemistry
  - Original heat analysis for chemistry (including residuals as reported)
  - Product analysis for chemistry (if performed or requested)
- k) Technical requirements

- Grain size
  - Spheroidization (if applicable)
  - Decarburization (if applicable)
  - Carbon restoration (if approved by AGT)
  - Heat treat response (if requested)
  - End-quench harden ability requirements (when appropriate)
  - Mechanical properties (i.e. tensile strength, yield strength, etc.)
  - Surface condition
  - Cleanliness
- l) Type of Coating
- Coating weights (if applicable)

\*Material grade on mill certificate shall appear exactly as shown in table 6.1 or 6.2 of AGT 2282, when applicable. For example, the mill certificate should show “1021/1022” or “10B21/10B22”.

### 5C. Coatings, Platings

All coating and plating specifications should be fully understood and at time of APQP and PPAP have defined Lower and Upper control parameters established to comprise the sub-tiers' basis for SPC. The sub-tier can only use materials as called out on the print provided by AGT and said materials must be provided by an approved supplier if called out by the OEM.

AGT reserves the right to perform spot inspections of coating and plating processes in order to review conformance. In addition, the sub-tier must have the capability of in-house or 3<sup>rd</sup> party torque and tension testing during APQP and annual validations to insure performance requirements are within specifications.

### 5D. Metals

See 5B above.

### 5E. Secondary Processing (EX: cutting, drilling, grinding, etc.)

For suppliers of secondary processes [cutting, drilling, grinding, etc.] the use of the provided print for dimensional controls must be included in the final PPAP document.

All secondary work as submitted must be accompanied with an SPC analysis study that includes PpK and CpK data. The target for CpK at the time of submission is 1.67. The continuing CpK levels are 1.33 over time. At any time if values fall below 1.33 the sub-tier must adjust their detection practices to perform a 100% sort function to reduce the propensity to ship non-compliant parts.

## 6. Tooling

The supplier is expected to maintain AGT owned and customer-owned assets located at their (sub-tier's) facility. It is the supplier's responsibility to track and identify AGT or OEM tooling in their facility, and the supplier must tag the tooling "Property of Acument Global Technologies". These assets are to be used solely for the production of AGT products. When there is no future need for these assets, the supplier must request direction from the plant of origin for disposition.

Control of AGT owned / supplied equipment and Tooling – AGT owned / supplied equipment and tooling includes gages, test equipment and tooling supplied by AGT for use in production or maintenance or made by the supplier and paid for by AGT supplier **shall**:

- Use AGT Supplied Gages, Special Test Equipment, and Special Tooling on AGT purchase orders only and for only those purchase orders for which the items were supplied.
- Identify all tools and test equipment, unless size or use prohibits, with identification tag(s) ensuring legibility and permanency.
- Obtain written approval from AGT prior to making modifications or changes to gages, test equipment or tooling.
- Maintain, protect and preserve tooling, test equipment, and gages. Tooling and gauging
- Shall be maintained for two years after the AGT purchase order is complete unless AGT directs otherwise.

- Contact the AGT Supply Chain representative for your account before the transfer of gages, test equipment or tooling among supplier facilities (address location) or to other suppliers.
- Supplied gages, test equipment or tooling that become excess to the needs of the purchase order shall be reported to AGT.
- Obtain written approval from AGT before the disposal or destruction of AGT supplied gages, test equipment or tooling.
- Report all cases of loss, damage or destruction of AGT's property in possession or control or property located at Supplier's second-tier suppliers to the AGT Supply Chain and quality contacts within 24 hours of when these conditions are discovered.
- Maintain a record of all supplied gages, test equipment or tooling. The list shall be traceable back to the original tooling purchase order and job number.

## 7. Containment of Non-Conforming Material

The supplier must have a system implemented to ensure that "non-conforming" items are identified and quarantined to prevent introduction into production shipments. This includes the ability to quickly deploy 3<sup>rd</sup> party sorting companies in AGT and downstream customer facilities.

Should the supplier detect that products do not meet what is defined in the Purchase Order, Drawings, AGT and customer supplied requirements and/or applicable standards and specifications, the supplier should immediately inform the Purchasing and Quality Departments of all impacted AGT plants.

Where non-conforming material has been shipped to an AGT facility, the supplier must submit a corrective action indicating their Containment Plan within **24 hours** of receiving notification. The Containment Plan must include material in transit. In addition, Supplier Cost Recovery Form, AGT-SC-003, will be issued and after submission the Containment Plan and cost implications will be reviewed and agreed to by AGT's Quality and Supply Chain teams.

### 7A. Root Cause Analysis

AGT Quality Department requires that all suppliers use a root cause analysis tool to work on issues that have passed through to AGT's customers or been discovered during AGT's quality observation work. These tools include but are not limited to:

- Fishbone (Ishikawa) diagrams
- A3 problem solving
- 5 Why analysis
- Kepner Tregoe analysis
- Shanin Red X studies

If the supplier does not have at least one of these tools in use, AGT will train the supplier's quality and operations team on the use of its system to provide synergy when problem solving.

### 7B. Corrective Action Requests

Suppliers receiving a nonconformance will be responsible for submitting Corrective Action as follows: If non-conforming material received by AGT from the supplier causes a major disruption (downtime) to production lines, and/or issue at AGT's Customer, the supplier shall respond *within 24 hours* with a containment plan and submit an approved corrective action plan (i.e., 8D, 7-step, 5 phase, etc) *within 10 days*.

Any deviation from this requirement must be agreed to by the AGT Quality Department. All corrective actions must be implemented and verified within 30 days. An extension of up to 30 additional days may be granted with written approval from the issuing plant.

a) Upon receiving a Corrective Action Request from AGT, Suppliers are required to immediately sort 100% of their product; including product at AGT plant(s), in transit, in warehouses, at the Supplier's production facility, etc., and to ensure that AGT's plants are supplied with enough certified stock to assure no disruptions to our customers' production. Material must be labeled as certified for the specific defect or defects for the next three shipments unless otherwise directed by AGT.

b) Disposition shall be provided for non-conforming material in the following manner:

--Use as is (with documented approval): material used, quantities not counted against defect total.

-- Sort / Rework: supplier will be charged a standard sort / rework fee to the extent such fee is authorized in advance by supplier in writing; defective pieces found will be counted against defect total.

-- Scrap: Removal of non-conforming material will be the responsibility of the supplier. Non-conforming material remaining over 48 hours will be scrapped and any related scrap fees will be charged back to the supplier, subject to supplier's prior written approval.

Supplier is responsible for reporting accurate sorting results and to request adjusted effective quantities when appropriate. This can have an impact on the Supplier's defect calculation.

c) Suppliers are responsible for managing the use of outside sources for sorting and must make all arrangements to ship parts between AGT and any outside source. AGT will contact the Supplier for authorization to return the material at Supplier's expense (for example RMA and any associated expedite costs).

d) Defective parts returned to the Supplier, reworked and returned may still be counted toward the supplier's score. Reworked parts must meet specifications as defined by AGT quality personnel. The repairing of parts is not permissible without prior written authorization from AGT.

e) Evidence of the defect; such as, digital photos will be provided when possible. A sample of the defect may be sent to the requesting plant and AGT's customer(s) if needed.

f) Verification of the implemented corrective action on-site at the Supplier may be accomplished during subsequent visits. If Corrective Actions take more than two weeks to implement, a progress report may be required. When the corrective action is completed

Upon receiving a Corrective Action Request from AGT, suppliers are required to provide the following:

- Clear identification of the root cause.
  - **NOTE: cannot be a restatement of the issue**
- Interim Action and containment implemented
- Actions taken to correct issue
- Actions taken to prevent reoccurrence (i.e., error-proofing)
- Evidence of verification that actions taken were effective
- Lessons Learned or Read Across implemented

#### **7C. Escalation Process**

AGT requires suppliers to assure that all material, services, and processes are in conformance to all specifications and requirements and are delivered within the defined delivery schedule. Repeat product and/or process issues, launch or delivery issues may initiate the use of Controlled Shipping at the expense of the supplier. AGT's escalation process for repeated incidence is initiated through the Escalation Process as follows:

- C1: 100% containment with documentation of work done and lot control
- C2: 200% containment with documentation of work done and lot control

A supplier failing to protect an AGT facility and/or our customers from repeated incidences will be subject to the escalation process, up to and including resourcing.

## 8. Controlled Shipping

For AGT two levels of Controlled Shipping exist:

- **Level 1:** This includes a problem solving process as well as a redundant inspection process. The supplier's employees at the supplier's location enact the inspection process in order to isolate the customer from receipt of non-conforming parts/material.
- **Level 2:** This includes the same processes as Controlled Shipping – Level 1, with an added inspection process by a third party representing AGT or AGT's customer's interests specific to the containment activity. The third party is selected by AGT and paid for by the Supplier. Continued failure to meet expectations could result in removal from the Approved Supplier List.

**Note:** Suppliers at CS level 2 are not permitted to receive new, existing or transfer business until otherwise notified by Supply Chain (AGT). Application for an Exit Letter to Level 1 or 2 will be reviewed and approved by the AGT Plant and AGT corporate quality provided all of the criteria and action plans have been met.

## 9. Supplier Charge Back

All charges to be applied against suppliers to AGT will be supported by root cause analysis performed by the charging AGT plant. Generally charges over \$1,000.00 will be levied by AGT's Supply Chain department. Charges under \$1,000.00 may be administered by the plant Controller and Quality Manager but must still be supported by root cause analysis.

Suppliers will be assessed an administrative charge of \$250.00 for all charges or instances of defects passing to AGT's customers when appropriate root cause analysis has confirmed the charged supplier is in fact at fault or largely at fault for the stated issue. An administrative charge of \$250.00 will be levied against suppliers that cause disruption to the value stream within AGT due to defects or disruptions to flow caused by quality issues.

Suppliers can request a review of any charges with the Director of Supply Chain and the Executive Director of Quality of AGT. The decision during this review will be considered final and binding. AGT values its supply base and will seek to be fair and equitable during matters of financial cost recoveries and in the process of performing root cause analysis.

## **PURCHASING**

### **Purchase Order / Contract Compliance**

The supplier must comply with all requirements as stated in the purchase order contract documents, including AGT's standard Purchasing Terms and Conditions found at [www.acument.com](http://www.acument.com), which govern every AGT purchase order contract.

### **Regulatory Conformity - Safety and Housekeeping**

The following are in addition to the "Government Safety and Environmental Regulations" requirements of applicable industry standards (Automotive – ISO/TS 16949, clause 7.4.1.1)

The supplier shall:

- Include in the safety program an emergency plan covering accidents, spills, fire and explosion
- Identify a representative who has authority to coordinate safety activities and to investigate and resolve safety problems
- Conduct routine safety inspections of the facility on a predetermined basis

### **Subcontractor Development**

In addition to the requirements of TS 16949 or ISO 9001, suppliers shall comply with the following:

- Establish and maintain a subcontractor surveillance and performance rating system.
- Establish and maintain an "Approved Supplier" list; including criteria for inclusion or exclusion.
- Review subcontractor pre-production approval (PPAP or FAI as applicable) documents to insure specified requirements will be met.
- Evaluate all subcontracted products or services to determine the amount of inspection, surveillance, and audits of subcontractor's facilities required.
- Conduct such inspection, surveillance, and audits at a defined frequency.
- Evaluate the disposition of all reported non-conformances.
- Ensure corrective actions for all reported nonconformance are completed and verified.
- Not change sub-contractors unless approved in writing by applicable AGT division.

### **Work Instruction**

In addition to the requirements applicable industry standards (ISO 9000, ISO/TS 16949, etc) suppliers shall include or reference the following in the appropriate documentation (instruction sheets, route sheets, SPC procedures etc):

- sequence of operations
- special working environments
- work methods
- characteristics and tolerances to be met
- location of manufacturing process

At a minimum, process procedures shall include detailed instructions of process functions that can be clearly understood by the operator. Any document revision level shall be identified on the procedure. Each process procedure/instruction shall be dated and signed by the authorized approver.

Procedures shall be updated to reflect changes in processes, equipment, and customer requirements. These updates shall indicate a revision level, revision date, and authorized approval.

Suppliers shall develop, implement and maintain policies and procedures for all rework, repair and the use of reprocessed material.

### **Preventive Maintenance**

The following requirements are in addition to those in applicable industry standards (ISO 9000, TS 16949, etc). The supplier shall maintain a record for each tool, fixture or piece of equipment indicating the:

- Maintenance schedule
- Description of the equipment
- Identification number of the equipment
- Maintenance procedures
- Acceptance criteria
- Action taken when results are unsatisfactory
- Re-qualification of repaired equipment to manufacturer's recommended frequencies
- Critical spare parts

The supplier shall maintain objective evidence that regularly scheduled maintenance has been performed and shall maintain this evidence for a minimum of three (3) years after completion of the program or transfer of tooling.

### **Product Identification and Traceability**

In addition to the requirements of applicable industry standards suppliers shall comply with the following:

- This identification shall provide traceability through retained documentation to the specific lot or batch of each raw material used in its manufacture; individual parts or products shall have a unique identification. Suppliers of assembled products must have a system to identify the lot or batch of each component in the assembly, as well as a lot or batch number for the finished assembly. The individual lot or batch numbers of components used must be traceable via the finished assembly lot or batch number.
- If stamps, electronic signatures, or passwords are used to identify acceptable quality products, suppliers shall establish and document the controls for these media.
- Whenever inspection is performed, a raw material lot is changed or production of a new lot or batch of product/parts is started, the raw materials used and their lot numbers shall be recorded on appropriate in-process documents.

## **SPECIAL REQUIREMENTS FOR SECONDARY PROCESSORS**

### **(PLATE, PATCH, HEAT TREAT, SORT, ETC.):**

Upon successful completion of the required processing, the supplier must use a fine point permanent marker to circle and place an "X" on their supplier code on the AGT Container Tag (Pan Ticket) signifying that the product has completed the process step.

In instances where multiple operations occur at the same supplier, each supplier code shall be marked when the respective process step has been completed.

In the event of a nonconformance, the supplier follows the "Reaction Plan to Most Common Issues" found later in the manual. The Pan Ticket type may change or vary from operation to operation

Confirmation  
Area



Properly Marked Container Tag  
(Colors Not Required)



### Control of Customer Supplied Product

The supplier shall ensure that all AGT-owned or AGT customer-owned property used or stored in the supplier's facilities are safeguarded. Suppliers are required to maintain an accurate inventory of AGT supplied material.

The supplier shall maintain confidentiality on these items. The supplier shall permanently mark all such property so that the ownership is clearly visible. Customer property can include intellectual property such as data used for design, production, or inspection.

### Preservation of Product – Packaging Requirements

In addition to the requirements of TS-16949 Section 7.5.5, suppliers shall comply with the following:

#### Packaging Design Intent

AGT requires that packaging design protects components adequately against surface and or structural damage. AGT plants must receive material and components in the same production quality condition as it left the Suppliers' facility, regardless of the method of transportation. The design intent is to maximize density while allowing ease of use at AGT plants. Each pack design is to consider the material handling and storage environments it will encounter during transportation and use.

Returnable packaging is the preferred method when cost-justified and acceptable. Use expendable packaging as a backup for returnables, or as a primary packaging when returnables are not cost-justified.

AGT may require that Suppliers complete a "Packaging Specifications" sheet for each product supplied, for review by AGT's packaging support. An internal plant sign-off sheet must have all necessary approval signatures. Supplier may consider receipt of approved copy as an authorization to proceed. Suppliers may be required to provide special handling for sensitive products and/or hazardous materials. Suppliers should confirm these requirements prior to quote. Suppliers are to review and evaluate packaging on an

ongoing basis. AGT's objective is to keep packaging costs in line with all strategic goals and to meet those obligations. Suppliers should strive to improve packaging on an ongoing basis.

### **Chemical Compatibility**

The compatibility of chemicals (raw materials, intermediates, and final products) with containers including, but not limited to reaction vessels, blending tanks, storage tanks, and shipping containers shall be demonstrated.

For chemicals, samples shall be taken from the shipping container and tested to verify they meet all applicable specifications. The environment (temperature, moisture level, atmosphere, etc.) of chemicals in shipping containers shall be controlled as appropriate to protect from environmental degradation.

### **Expendable Containers**

All containers and multi-wall tubes must have a box maker's certificate with bursting or puncture test visible on the assembled container.

### **Load Shipments**

Corrugated material used in shipping containers must have minimum test strength to adequately withstand the test of warehousing and transportation. Less than 275-pound, (125 Kg), test strength requires written approval from the AGT Supply Chain support.

Maximum height:

- 33"/837 mm for 3 high
- 50"/1269 mm for 2 high

Designed packages shall consider using the full width of trailers. Trailers are 48 or 53 feet / 15 or 16 meters long and 94" / 3 meters wide with a height from 102 to 110 inches / 3 meters, the inside length is 570" / 14 meters.

### **Load Securement**

Banding is one method of unitizing a pallet load, (2 bands lengthwise/2 bands crosswise). Some acceptable stretch films are:

- LLDPE (linear low-density polyethylene)
- LDPE (low-density polyethylene)
- EVA (Ethyl vinyl acetate 12% min)

Stretch film should have a 50% film overlap up to the top of the load with a 3"/ 76 mm excess at the top. Properly secure the pallet load by extending the film 3"/ 76 mm below the top of the pallet.

Direct material providers for steel (other are stainless steel, aluminum, brass, copper, etc) suppliers shall reference AGT-2282 for packaging requirements.

### **Sealant and Closures**

Adequately seal closures to prevent failure during handling. Closures may be stamped, glued, or taped to ensure positioning remains satisfactory during transit. Cover products that must be clean or protected from plant and or transportation environments.

### **Standard Small Parts Containers**

Standard small parts are any nuts, bolts, screws, washers, bearings, small fasteners or similar dense materials. Ship all standard small parts in ¼ keg style containers. Recommended designs:

- full telescopic
- regular slotted
- returnable (reference AIAG)

Dimensions are nominally 9" X 9" X 4 to 6½" (23 cm X 23 cm X 10 to 16.5 cm). The standard fastener pallet is to be nominal 32" (81 cm) long and 30" (75 cm) wide. Maximum load height is not to exceed the minimum pallet base dimension.

### **Supplier Responsibilities**

Suppliers shall maintain returnable container inventory levels, site coordination and performance integrity necessary. The supplier shall develop and implement as well as maintain procedures to clean returnable containers and to verify the cleanliness of these containers. Suppliers may not use AGT owned returnable containers for uses other than those previously agreed to by AGT. In addition, suppliers are required to protect AGT returnable containers from theft or damage beyond normal wear and tear.

Suppliers shall load products into containers and containers into transportation equipment in a manner that maintains the conditions of the product using only clean, undamaged containers. AGT will charge the suppliers the labor costs for cleaning containers before use.

### **Preservation of Product – Delivery**

The number of containers and their manufacturing date shall be noted on all invoices and bills of lading. Materials shall be processed and shipped to AGT on a first in, first out (FIFO) basis.

## **CONTINUAL IMPROVEMENT**

### **CONTINUAL IMPROVEMENT PLAN**

Suppliers shall develop an annual continual improvement plan, approved by upper management, which establishes improvement goals, implementation dates and responsible personnel.

### **COST REDUCTIONS**

These costs shall be reported using a suitable base, such as cost-per-unit produced or cost as a percentage of total sales, etc. Suppliers are expected to reduce costs annually to offset all economics and OEM reduction programs. AGT will work pro-actively with its supply base to support cost reduction implementation, but expects suppliers to take the initiative in establishing projects that will generate savings. Suppliers will be expected to participate in formal cost reduction reviews as required by AGT.

## **METAL AND PLASTICS PARTS - ADDITIONAL REQUIREMENTS**

All suppliers of metal and plastic parts to AGT shall comply with the following items.

### **RAW MATERIAL CERTIFICATIONS**

The supplier shall receive and evaluate raw material certifications showing actual test results for materials used prior to use of each material. If material blending (glass, etc.) is performed by a subcontractor, the certifications for all virgin materials shall be maintained on file by the supplier for AGT review. Where there is a customer approved subcontractor list, the supplier must provide documentation for compliance.

### **MATERIAL CERTIFICATION VERIFICATION TESTING**

Such testing shall be performed by a qualified test laboratory at a frequency specified in the AGT approved Control Plan. In the absence of a written agreement this testing shall be performed every six months. Test results shall be maintained on file for AGT review.

## **CHEMICALS - ADDITIONAL REQUIREMENTS**

All chemical material suppliers to AGT must address the following items. Certain requirements may conflict with those of other sections. If conflict occurs for chemical material suppliers, this section of the manual shall take precedence over all other sections.

### **PARTS**

The term “parts”, as used throughout these requirements, shall be understood to include any product, whether a physical part or chemical.

### **AGT SPECIFICATIONS**

Specifications written by AGT and distributed to supplier shall have a documented system for receipt, handling, and dissemination of these specifications within the supplier’s organization.

### **CERTIFICATES OF ANALYSIS**

From time to time chemical suppliers shall be expected to participate in certification verification testing coordinated by AGT Purchasing. On a random annual basis retained samples taken from shipping containers received at AGT may be returned to the supplier for complete testing of all properties on the Certificate of Analysis. The results are then reported to AGT for comparison to the original Certificate of Analysis. Any discrepancies are communicated to the supplier for resolution.

### **SAMPLE RETENTION**

Laboratory samples used to determine the test results shown on the Certificates shall be retained and stored in an environment that shall minimize damage, loss and or environmental deterioration. These samples shall be retained for not less than one year after shipment of the product to AGT, unless otherwise agreed to by AGT.

### **SHIPPING CONTAINERS**

Each shipping container shall be identified with the lot number and shall be traceable to a Certificate of Analysis. The sequential numbering of shipping containers shall apply only to shipping containers of 55 gallons US (or metric equivalent) or less in capacity.

## **CHANGES IN PROCESSES AND/OR MATERIALS**

Any changes in processes, materials and or source of materials require resubmission and re-approval of the product in accordance this manual.

## DESIGN AND BUILD

Suppliers shall provide appropriate resources and facilities for the design and fabrication of models, tools, gauges or turnkey equipment. Tool design personnel must comprehend the key characteristics of the parts and processes involved. If any design or fabrication work is subcontracted, there shall be a method of tracking and follow-up to ensure timely completion of work.

### Specifications

AGT suppliers shall obtain all applicable standards and specifications prior to quotation. Upon acceptance of purchase agreement, suppliers shall be responsible for meeting all applicable industry standard and specification requirements.

### Changes and Authorization

Any and all changes proposed to quality plans by a supplier shall be documented in writing and resubmitted to AGT Supply Chain and Quality prior to implementation. Suppliers shall not proceed with any part of the proposed changes prior to receiving written authorization from AGT.

### Dimensional Layouts

Suppliers shall have appropriate resources and facilities to perform full dimensional layout of models, tools, gauges and turnkey equipment, both in body coordinates and by utilizing the part design dimensioning system. An AGT approved subcontractor may be used to support these activities. An appropriate system for tracking shall be established and approved by AGT prior to start of fabrication.

### Tooling Management

Suppliers shall establish a system to ensure effective management and utilization of tooling systems. Suppliers shall submit for approval a design and build plan detailing, at a minimum, the following:

- 1) Name and telephone numbers of supplier contacts including identification of responsibilities
- 2) Appropriate repair facilities and resources
- 3) Effective storage methods for all models, tooling aids, etc.
- 4) Inspection points and data to be analyzed throughout the build phase including:
  - critical areas identified by AGT and/or the supplier,
  - areas which may affect any control characteristics as defined by AGT and customers,
  - the basis for finished product acceptance.

### For tools, gauges, fixtures, and turnkey equipment:

Supplier shall provide a review date by AGT to ensure all AGT, customer, applicable national and state or provincial safety and ergonomic requirements are met and provide:

- 1) provisions for supplying AGT with a recommended preventive/predictive maintenance plan,
- 2) provisions for training AGT or other personnel including details of training duration and location,
- 3) proposed packaging and shipping methods of the finished product to AGT including shipping instructions and customs clearance when applicable,
- 4) statement of responsibility for installation in an AGT, or AGT customer, facility, including a detailed installation plan and statistical prove-out,
- 5) methods for statistical capability and conformance prove-out prior to shipment including:
  - sample size and statistical data work-up,
  - basis of qualification for all areas which may affect any end item control characteristic.

Formats such as sketches, prints and diagrams showing the location of valves, electrical lines, plumbing lines and connections as well as other peripheral equipment. Traceability to the source of key components of the equipment by part number, model number, and supplier must also be provided to AGT. All sketches, prints, wiring diagrams, schematics, etc., require AGT approval prior to build.

## GLOSSARY

The following definitions apply:

**AGT** - Acument Global Technologies

**Batch** - (volume or lot) an identifiable collection of products, or quantity of material, of a single type, grade, class, size or composition produced in the same facility under continuous controlled conditions for a period not to exceed 8 continuous hours.

**Calibration** - comparing two instruments, measuring devices or standards, one of which is of known accuracy. To detect, correlate, report or eliminate by adjustment any variation in accuracy of the instrument or measuring device of unknown accuracy. All calibration instruments used by AGT suppliers must be traceable to NIST.

**Campaign** - to schedule production of compatible chemicals in a manner so that vessel cleaning is not required and residual chemicals in the vessel do not effect performance of the chemical being produced.

**Characteristic** - any distinct property or attribute of a product, process or service that can be described or measured to determine conformance and nonconformance to specified requirements.

**Disposition** - an action to determine how a nonconformance is to be resolved.

**Evaluation** - an appraisal to determine if production processes and quality assurance programs are capable of producing a quality product or providing a quality service and generating evidence that supports decisions of acceptability.

**Inspection** - the examination, measurement, and testing of characteristics of processes, products or services to determine acceptability and the recording of resulting data.

**Machine/Tool Potential Study** - a preliminary assessment of the ability of a machine and its tooling (only) to produce parts to specifications consistently.

**Nonconformance** - a deficiency in characteristic, documentation or procedure which renders the quality of a product or service unacceptable or indeterminate. Examples of non-conformances are: physical defects, test failures, inadequate documentation, and deviations from prescribed processing or from any other part of the program.

**PPAP** - Production Part Approval Process

**Procedure** - a document that specifies, as applicable, the purpose and scope of an activity; what shall be done and by whom, when, where and how it shall be done, what materials, equipment and documentation shall be used and how it shall be controlled.

**Product Development Team** - an AGT cross-functional team charged with bringing a new program from award of business through volume production.

**Surveillance** - the continuing evaluation, analysis and verification of a supplier's records, methods, procedures, products and services to assure that requirements are met.

**Verification** - independently reviewing, inspecting, examining, measuring, testing, checking, witnessing, monitoring or otherwise establishing and documenting that products, processes, services and documents conform to specified requirements.

**All required AGT forms may be obtained by contacting your AGT Supplier Quality representative.**

## PURCHASING TERMS AND CONDITIONS

AGT Purchasing Terms and Conditions are maintained on the home page at [www.acument.com](http://www.acument.com)

## REACTION PLAN TO COMMON ISSUES

If this happens:	Supplier's Reaction is:	AGT Location's Reaction is:	AGT Distribution Center's Reaction is:	Controls & Metrics
Quality Issue or Scrap Incident during processing of product	Isolate Material and contact the manufacturing plant for disposition. All product dispositioned as SCRAP, must be properly identified and returned to the manufacturing location. It is not to be scrapped at the supplier's location.	Investigate issue and provide disposition regarding product, SCRAP, Rework, Continue Processing with Special Handling, etc. Incident to be recorded as internal quality issue with appropriate corrective actions recorded.	Isolate Material and contact the manufacturing plant for disposition.	Distribution Centers and AGT Mfg Locations collect data to measure incidents recorded via internal quality concern process:  Data published to AGT Quality, Supplier Quality, & AGT Purchasing and reviewed during management review meetings.
No initials, stamp, or sign off on routing tag, indicating completion of prior processing step.	Next upstream processor quarantines product, notifies Mfg Location, and awaits instructions. If instructions are not received within 48 hrs, product is returned to Mfg Location	Investigate part/lot combination to determine if routing step was missed, or if processor failed to sign off.  If routing was missed, instruct supplier to return parts to Mfg. plant.  If supplier failed to sign off, Mfg plant documents & emails verification to supplier with copy to appropriate Distribution Center (if applicable.)	If verification has not been received, quarantine parts and notify Mfg Location.  When verification is received via email from Mfg location, attach a copy of email and/or supporting info to incoming specification documentation and or skid/tub/container.  If verification is not received within 48 hrs, parts are returned to AGT Mfg. Location.	Distribution Centers and AGT Mfg Locations collect data to measure incidents recorded via internal quality concern process:  1.) Processing Completed, but Labels Not Signed  2.) Labels Not Signed due to Missed Routing  Data published Monthly to AGT Quality, Supplier Quality, & AGT Purchasing and reviewed during management review meetings.
Container Tag Missing	Next upstream processor quarantines product, notifies Mfg Location, and awaits instructions.  If instructions are not received within 48 hrs, product is returned to Mfg Location	Investigate probable part/lot combination via shipper/PO/container number to determine product info.  Mfg division provides e-mail tag info to supplier to process with container.  If routing was missed, instruct supplier to return parts to Mfg. plant.  Otherwise, Mfg plant documents & emails verification to supplier with copy to appropriate Distribution Center.	If verification has not been received, quarantine parts and notify Mfg Location.  When verification is received via email from Mfg location, attach a copy of email to incoming specification documentation.  If verification is not received within 48 hrs, parts are returned to AGT Mfg. Location.	Distribution Centers and AGT Mfg Locations collect data to measure incidents of No Initials:  1.) Total Containers Received / Day  2.) Number of Container Labels Re-Created / Day  Data published Monthly to AGT Quality, Supplier Quality, & AGT Purchasing and reviewed during management review meetings.
Number of Tubs Increases during Processing  OR  Product is re-packaged in cartons or boxes after processing	1) Initial all tags and includes with shipment .  2) Label each container with "New Container Created in Processing by (Name of supplier)" label, and initials as required.  3) Identify all new tub numbers on shipping documents.	Not Applicable	Verify part / lot routing:  Verify number of original containers & number of new containers.  Reconciles processing sign-off.  Receives material by normal incoming process.	No data requirements.  Include in Layered Process Audits.

Sorting is Added, or is not included in normal routing	Sort supplier had writes their supplier code and follows AGT-X-75 Sign Off Work Instruction.	Upon addition of sort to routing, notify appropriate Distribution Center via email.	Verify part / lot routing. Attach email notification from mfg plant to incoming specification documentation.	No data requirements.  Include in Layered Process Audits.
Parts are routed to a different sort supplier	Sort supplier had writes their supplier code and follows AGT-X-75 Sign Off Work Instruction.	Upon re-routing sort to different supplier, notify appropriate Distribution Center via email.	Verify part / lot routing. Attach email notification from mfg plant to incoming specification documentation.	No data requirements.  Include in Layered Process Audits.
Parts are sent to wrong supplier	Quarantine parts, Notify Mfg Plant & await instructions.  If instructions are not received within 24 hrs, product is returned to Mfg Location  If written authorization to proceed is provided, hand write supplier code and follow AGT-X-75.	Arrange for parts to be shipped to correct supplier.  OR  Provide instructions and authorization to proceed to the supplier who received the product. Send copy to appropriate Distribution Center via email.	Verify part / lot routing. Attach email notification from mfg plant to incoming specification documentation.	No data requirements.  Include in Layered Process Audits.
Special processing is required (e.g., deburr, strip, etc.)	If instructions have been received from Mfg location, process according to instructions.  Hand write supplier code and follow AGT-X-75.  Otherwise, quarantine parts, Notify Mfg Location, & await instructions.  If instructions are not received within 24 hrs, product is returned to Mfg Location	Provide instructions and authorization to proceed to the supplier who received the product. Send copy to appropriate Distribution Center via email.	Verify part / lot routing. Attach email notification from mfg plant to incoming specification documentation.	No data requirements.  Include in Layered Process Audits.

## APPENDIX A

### Supplier Quality Questionnaire

Supplier Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

**Please answer the following questions. Use separate page for additional space.**

1) Is your Quality System Third Part Registered?

- YES: attach a copy of the accreditation certificate.  
 NO: attach a formal time-line and action plan for accreditation.

2) Have you developed a plan to deploy Third Party Accreditation to your Supplier Base?

- YES  NO

3) What services/products does your company provide? (Check all that apply)

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> ADHESIVES          | <input type="checkbox"/> HEAT TREAT        | <input type="checkbox"/> INSTRUMENT CERTIFICATION                       |
| <input type="checkbox"/> SHIPPING MATERIALS | <input type="checkbox"/> PLATING           | <input type="checkbox"/> SORTING <input type="checkbox"/> RAW MATERIALS |
| <input type="checkbox"/> WASHERS            | <input type="checkbox"/> VARIOUS PROCESSES | <input type="checkbox"/> TIER 2   |
| <input type="checkbox"/> OTHER _____        |  |   |

4) If your company is being considered for an Acument calibration source, please answer the following:

4a) Is your laboratory accredited? (A2LA, L.A.B. Standard Council of Canada, etc.)

- YES: please attach a copy of the accreditation certificate and scope  
 NO: please attach a formal time-line and action plan for accreditation

5) Is it your company's intention to comply with Acument Global Technologies Supplier Quality Manual – North America found at the bottom of the page at [www.acument.com](http://www.acument.com)?

- YES  
 NO: please explain.

6) Please provide the following emergency contact information:

**Supplier Top Management (CEO or equivalent)**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Other: \_\_\_\_\_

**Plant Manager (or equivalent)**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Other: \_\_\_\_\_

FORM AGT-003 Rev. 03/17/2014

**Production Manager (or equivalent)**

Name: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Other: \_\_\_\_\_

**Quality Manager (or equivalent)**

Name: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Other: \_\_\_\_\_

- 7) Is your company EDI capable?  
 YES  
 NO: Does your company intend to become EDI capable?
- 8) Is your company a certified minority supplier (WBE, MBE, or both)?  
 YES: Enter the certificate number(s) & send a copy of certificate(s)   
 NO
- 9) Do you perform a service that involves your employees working on Acument premises?  
 YES: a Certificate of Liability Insurance must accompany this questionnaire  
 NO
- 10) Is your company incorporated?       YES                       NO

If yes: 


1099 Code: 

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Federal Tax ID: 

--

Duns Number: 

--

- 11) Are all of the following current revision AIAG manuals part of your controlled library?
- A. PPAP
  - B. FMEA
  - C. SPC
  - D. Applicable Industry Standard – Quality Management Systems  
 ISO 9001:2008       ISO/TS 16949:2009
  - E. MSA
  - F. APQP

12) Your Name: \_\_\_\_\_  
 Your Title: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 FAX: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 After Hours and Weekend Emergency Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

### Revision History

Date	Revision	Description
09/30/2002	1	Released
05/27/2005	2	Multiple Updates
12/01/2006	3	Multiple Updates
01/24/2007	4	Multiple Updates
02/14/2007	5	Added AGT Terms and Conditions page
02/15/2007	6	Clarified in first sentence in 7.1.1 per legal advice. Added: "Including AGT's standard purchasing terms and conditions, which govern every AGT purchase order contract."
02/23/2007	7	Attached acknowledgement of receipt letter
02/26/2007	8	Removed acknowledgement letter & Updated signature page
07/17/2007	9	Added skid tag sign off requirement, clarified calibration supplier requirements, reformatted, updated approvals
10/03/2007	10	Multiple updates to include aerospace supplier requirements
08/26/2009	11	Removed outdated policy and approval, updated Supplier requirements section.
4/5/2011	12	added the suppliers reaction to a scrap incident to the Appendix section
5/16/2012	13	Modified Section 2.1 Exceptions for non-accredited OEM. Changed the ISO/TS 16949 release date from 2002 to 2009 in section 2.3 Required References.
8/29/2013	14	Added Clause 1.6 Conflict Minerals to Section 1 – Relationships with Other Parties
10/10/2013	15	Added as applicable to 4.1, Deleted 7.0.1 Chemicals, Added Direct Material to Supplier in 7.3.4, Modified 8.1, Modified 8.2, Updated Purchasing Terms and Conditions,
05/09/2014	16	Reformatted and organized, Removed Purchasing Terms and Conditions and referenced <a href="http://www.acument.com">www.acument.com</a> , Added Appendix A instead of referencing AGT-003, updated the Code of Conduct, updated entire Quality Management System section, removed references to Aerospace standards and specifications