

SUPPLIER MANUAL

2019

Revision 6

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MESSAGE TO SUPPLIERS

Fisher Dynamics's attention to quality and customer satisfaction has allowed us to be successful business leaders for the past seventy years. With today's ever-increasing performance expectations, robust quality systems are essential. An effective quality system uses continuous improvement, effective problem solving, and world-class manufacturing processes to meet the industry expectation of zero defects. Robust systems increase profitability and productivity for all. Poor quality has no rewards.

Fisher Dynamics is growing on a global scale, but can only succeed as a leader in safety mechanisms and structures with the dedication and commitment of its suppliers. We ask our suppliers to support us in maintaining our competitiveness, our attention to quality, and our customer relationships. Only high-quality component parts can ensure high-quality finished product to our respective customers.

The enclosed standards are here not only for you to meet the supplier quality requirements of Fisher Dynamics, but also to allow each supplier to maximize their potential for profitability and to maximize new opportunities with Fisher Dynamics and all of its customers.

Sincerely,

The Fisher Dynamics Family of Companies



From left to right: Alfred J. Fisher IV, Michael R. Fisher, Alfred J. Fisher, Jr., Alfred J. Fisher (portrait), and Alfred J. Fisher III.

Corporate Structure

This supplier manual contains the requirements for production and service suppliers for Fisher Dynamics facilities (see below).

Facilities:

Saint Clair Shores Can	npus: Manufacturing, Engineering	and Corporate offices
Fisher Dynamics		
Main Tel: (586) 746-2000		
Main Fax: (586) 296-1607		
East Plant (address to invoice	for all North America plant location	ns)
33300 Fisher Dr.		
St. Clair Shores, MI 48082		
Central Plant	Midwest Plant	Southeast Plant
33200 Fisher Dr.	33180 Fisher Dr.	33101 Harper Ave.
St. Clair Shores, MI 48082	St. Clair Shores, MI 48082	St. Clair Shores, MI 48082
West Plant	Far West Plant	Northeast Plant
33140 Fisher Dr.	33100 Fisher Dr.	33195 Harper Ave.
St. Clair Shores, MI 48082	St. Clair Shores, MI 48082	St. Clair Shores, MI 48082

Fisher Dynamics Evansville

2301 St. George Rd. Evansville, IN 47711

Fisher Dynamics De Mexico Fisher Dynamics Automotive Seating Components (Shanghai) Co Ltd.

Main Tel: (586) 746-2000 Main Fax: (586) 296-1607 Ave. Pedregal #300 Entre Chapultepec y Lauro Villar Col. Ciudad Industrial H. Matamoros, Tamaulipas Mexico 87499 Main Tel: +8621 3352 8511 Main Fax: +8621 3352 8512 Building 2, No.1150 Ronghua Road Songjiang, Shanghai China 201611

Metal Forming Facilities

Fisher Dynamics Troy	Fisher Dynamics Sterling Heights	Fisher Dynamics Brownsville
1625 West Maple Road	6550 Progress Drive	2045 Les Mauldin, Suite 3F
Troy, MI 48084	Sterling Heights, MI 49312	Brownsville, TX 78521

FISHER DYNAMICS GLOBAL PURCHASING VISION AND STRATEGY

Our mission is to support the Fishers Dynamics business strategy by developing and managing a preferred supply base that enhances Fisher's competitiveness and the success of our customers. Our responsibility is to ensure that the supply base supports all internal functions in design, quality, delivery, and continual improvement.

For Fisher General Contact information, please refer to supplier resources in the Supplier Plex Portal

1.00 PURPOSE/SCOPE

This manual provides the business system standards for suppliers to adhere to during the production of parts or materials called for on a Fisher Dynamics purchase order. This manual mandates the establishment and maintenance of a quality program by suppliers to assure compliance with the requirements of Fisher Dynamics and its customers. The quality program shall be documented by the supplier and is subject to review by Fisher Dynamics. These recommended quality system processes are to help ensure that purchased parts and materials will meet the quality standards specified by Fisher Dynamics and their customers. The responsibility for supplier quality remains with the supplier, and nothing in this supplier program (including adherence to requirements) shall relieve suppliers from this responsibility.

These standards apply to all parts or materials purchased by the divisions of Fisher Dynamics as well as operations performed at secondary part processors. All product, raw material, secondary processor, and service suppliers to Fisher Dynamics shall ensure product is produced, processed, controlled, inspected, and tested in accordance with the requirements set forth in this manual, regulatory and statutory requirements, as well as engineering drawing and/or specification requirements.

1.01 Sourcing Statement

Fisher Dynamics looks to the supply base to be sustainable in every aspect of its business; this will be assessed by a financial audit performed by Fisher Dynamics. Just as Fisher Dynamics wishes the supply base to be fiscally responsible, it is also the goal to collaborate with suppliers, ensuring that ethics and excellence are the foundation of all their business practices throughout their organizations. Fisher Dynamics encourages the development of its suppliers to offer the latest technologies, creative design solutions, world-class quality business systems, efficient manufacturing systems, localization strategies, and lowest total cost. In this market, only those who show a willingness and desire to improve through their actions and performance results will continue to thrive with Fisher Dynamics.

Market conditions, competitiveness, supplier performance, program end-of-life, or other reasons can dictate early termination of sourced business.

2.00 SUPPLIER/SUBCONTRACTOR SELECTION

Suppliers and/or subcontractors approved through or directed by Fisher Dynamics customers are considered approved sources. Suppliers who have attained third party registration to the minimum requirements stated in Section 3.0 are considered approved sources. New suppliers may be requested to complete a Global Supplier Audit (GSA) self-audit in addition to the third-party certification in order to become an approved supplier. Fisher Dynamics Supplier Quality may also choose to perform an on-site GSA assessment for new suppliers or suppliers with on-going quality concerns. All suppliers are required to use the Fisher Dynamics tooling and gage build standards when making tooling and gages for all products supplied to Fisher Dynamics.

2.01 Supplier Portal - Plex Online

All Fisher Dynamics facilities utilize a MRP/ERP system called Plex Online and <u>all suppliers must utilize</u> Plex. It is our primary communication tool for RFQ, remittance information, PPAP submission, problem reports (quality or delivery performance issues), maintenance of certifications and supplier contacts, material releases, Blanket purchase orders, remittance history, shipment history, receipt histories, and reports or group messages. Suppliers are expected to maintain their contact information in Plex, individually, for each Fisher Dynamics location that is supplied including the Fisher Dynamics PCN. Each production supplier is issued a supplier code in the Fisher Dynamics Materials Management system and one (1) Plex Online User ID and password per supplier. Each supplier must have one primary user that communicates the User ID and Password throughout their organization as necessary. Suppliers must log in at least once per month to prevent automatic login deactivation. Plex requires the supplier to update their password every 90 days. Any new password shall be shared with all internal users. If a password reset or reactivation is required there will be a \$100.00 administrative charge for each occurrence. Contact Fisher Dynamics Purchasing for login issues.

A link to the Plex Portal login website is below and the company code for all suppliers is "FC". Plex will support Internet Explorer versions that are within two (2) versions of the current version and the current version of Google Chrome, Mozilla Firefox, and Safari. Furthermore, there is a specific "PC Setup" button at the top left of the Plex log-in page that <u>must</u> be run on all computers. This page also has a link that reviews some of the observed cross-browser compatibility issues.

Log-Into Plex Supplier Portal

3.00 SUPPLIER QUALITY SYSTEM REQUIREMENT

Fisher Dynamics requires production-related suppliers (i.e., raw materials, components, secondary's, and any outsourced services) to be certified to IATF 16949 or ISO 9001 which encompasses the process approach methodology. In the instances where the supplier does not meet this requirement and they are considered a "special case", a waiver may be issued where two of the following has been met:

- 1. A CQI Special Assessment has been completed for the service being provided and approved by Fisher Dynamics Corporate Purchasing or Supplier Quality
- 2. Risk Assessment resulting in low risk to Fisher Dynamics and its customers.
- 2nd party audit either conducted by Fisher Dynamics or an approved 2nd party that resulted in verification that the system implemented conforms to our requirements, the ISO-9001 certification and or the equivalent Minimum Automotive Quality Management Requirements for Sub-Tier Suppliers (MAQMSR).
- 4. Demonstrated history of product and / or process quality.

A supplier may be considered a "special case" based on volume of work or services being provided, size or location of the company, or where the product or service provided is specialized.

ISO-9001 with a plan to continually improve towards IATF 16949 (the preferred standard) is the minimum requirement. Suppliers certified to ISO 9001 must also adhere to the following:

- Minimum Automotive Quality Management System requirements for sub-tier suppliers as required by IATF and customer-specific requirements. (MAQMSR Audit located in supplier PLEX portal, in supplier documents (ref 2.01))
- OEM customer-specific requirements for the manufactured product, (i.e., GM BIQS first 13 elements, FCA Process Audit and Ford Q1; as applicable <u>see IATF Website</u>).

It is the supplier's responsibility to maintain their quality certificates in the Fisher Dynamics PCN (Plex Company Node) of the Plex Online Supplier Portal. This includes the following, as applicable:

• Certificates (ISO 9001, IATF-16949, ISO-17025, ISO-14001)

- CQI Process-specific Assessments and associated action plans
- Lab scopes (suppliers and internal)
- Supplier Diversity Certifications or evidence of supplier diversity program (If applicable)
- FMVSS 302 Flammability Testing Reports (If applicable) or OEM requirement. May be required annually.
- Certificates of Origin (<u>https://www.cbp.gov/document/guides/certification-origin-template</u>)
- Any Special Required Annual documents such as Plating or Coating Testing Reports

Note: Certifications must be through a certified accredited body indicated by IATF 16949. For ISO 9001 and 14001, refer to <u>the AIAG Website</u>. Certifications shall be uploaded regularly, prior to expiration date into Plex by the supplier. Plex sends an automatic notification 2 weeks prior to expiration to the contact person identified in Plex. If the certifications expire in Plex there will be an administrative charge to the supplier of \$100.00 for each expired certification.

All Suppliers shall have contingency plans in place (see appendix C) and are required to immediately notify Fisher Dynamics of any and all disruptions in production and or shipments prior to said shipment being late.

4.00 ADVANCED PRODUCT QUALITY PLANNING (APQP)

Advanced Product Quality Planning is a systematic method to define and establish timing, controls, and processes to assure a product meets customer requirements. Fisher Dynamics suppliers shall have a system implemented for APQP. APQP is required for the following conditions:

- When developing new processes and/or products
- When engineering changes may affect current processes and/or current products
- When reacting to processes or products with quality concerns

The supplier shall establish a quality-planning program and show evidence of this program. This program shall include quality-planning teams. These teams shall be used during the start of new or changed products. The team should include representatives from engineering, manufacturing, material control, purchasing, quality, and subcontractors as well as Fisher Dynamics representatives (Quality, Engineering, etc.). All documentation for this program must be available in English, e.g. Timing charts/Gant charts, Process flow, PFMEA, Control plans, Standard work instructions and all dimensional information. Refer to the current AIAG Advanced Product Quality Planning and Control Plan manual, as well as, customer-specific requirements for further information regarding APQP.

4.01 Process Flow Diagram

The process flow diagram is a visual diagram to show how materials and products move through process operations and control points. This diagram is beneficial in the development of the Failure Mode and Effects Analysis (FMEA) and Control Plan. Fisher Dynamics suppliers shall develop a complete Process Flow Diagram. The operation numbers indicated in this document shall be the same numbering sequence indicated in the Control Plan and Process FMEA. These are required for PPAP approval. **Refer to the current AIAG APQP manual for further information regarding Process Flow Diagrams.**

NOTE – All steps from receiving raw material to shipping finished product, including moves and storage, must be indicated on the process flow. The Process Flow, FMEA, and Control Plan numbering system should remain consistent throughout, allowing for correlation of specific items through the documents.

4.02 Failure Mode and Effects Analysis (FMEA)

The intent of a Process FMEA is to identify potential failure modes and how they affect a product/process. It aids in identifying actions which could eliminate or reduce the chance of a failure occurring. Fisher Dynamics suppliers shall develop Process FMEAs for new and changed processes as well as all Bypass procedures. Bypass processes include all alternative processing steps that could be used in place of normal production, in the event of an equipment issue. All Critical/Significant/Safety characteristics (CC/SC) and Important Product Features (IPF) shall be included in the FMEA and marked with the accompanying SC/CC/IPF designation, in addition to all other items. This includes any customer-specific symbols. Complete Process FMEAs are required for PPAP approval. Refer to the current AIAG FMEA manual for further information regarding Failure Mode and Effects Analysis.

PFMEA documents should identify contingency plans and alternative processing with appropriate scoring. This allows the contingency/alternative processing to be included in the PPAP approval, and not require deviations in the event of a temporary issue. Reference Appendix C.

4.03 Control Plan

The Control Plan is a document used to control the manufacturing of a product or family of parts to meet the customer's quality requirements. These controls shall be developed starting with the receipt of raw material through the shipment of finished products. This document is used to identify product/process characteristics, inspection methods, and control methods and shall include sample sizes and frequencies based on risk and occurrence of failure modes to ensure that the customer is adequately protected. A control method shall be developed and indicated in the Control Plan (per the AIAG and Customer-specific requirements) for all critical safety/significant, Important Product Feature (IPF) characteristics specified on engineering drawings. Control Plans will be reviewed by Quality personnel and are required for PPAP approval. Complete Control Plans are required for PPAP approval. **Refer to the current AIAG APQP manual for further information regarding control plans and OEM Customer-specific Requirements**.

Component part suppliers shall request Flow Diagrams, Process FMEAs, and Control Plans from their subcontractors regarding the processing of material or parts supplied. These documents shall be included in the supplier's PPAP package.

Suppliers are required to review their Process Flow Diagrams, Process FMEAs and Control Plans as needed to ensure any customer complaints are addressed in updates to these documents. Attach updates with the Corrective Action to the Plex Problem Report. Fisher Dynamics Quality personnel will review the updates prior to acceptance of the Corrective Actions.

Control plans should include contingency plans and alternative processing methods, complete with control methods. This allows the contingency/alternative processing to be included in the PPAP approval, and not require deviations in the event of a temporary issue. Reference Appendix C.

4.04 Quality Focused Inspections

Quality Focused Inspections shall be performed on each shift. Product audits and final inspections shall be performed based on the supplier's control plan approved at PPAP. Fisher Dynamics must approve any changes or deviations prior to implementation. Quality checks shall be included in a standardized operator instruction.

4.05 Measurement System Analysis (MSA)

The quality of measurement data produced by test equipment and gages is important to determine process and product conformance. The supplier shall establish a program for all gages to identify measurement error and how it relates to process or product conformance. This requirement includes the verification and/or calibration of error proofing devices such as, red rabbits, sensors, etc. Gage repeatability and reproducibility can be best determined by using the average and range method for a variable gage study. The acceptance criteria for gage repeatability and reproducibility (GR & R) in the ANOVA format unless directed are as follows:

- Under 10% error acceptable measurement system
- 10% to 30% error may be acceptable, depending upon importance of application. An action plan for improvement will be required and monitored in accordance with the risk associated with the product or service received.
- Over 30% considered not acceptable unless otherwise approved, in writing, by Fisher Dynamics
 – gage needs improvement and should not be used to measure control plan characteristics;
 replace or improve gage to acceptable level

GR&R studies are required for PPAP approval on all measuring devices and testing equipment identified in the control plan and per customer-specific requirements. Instruments with the same characteristics (e.g., measurement range, resolution, repeatability, etc.) can be grouped representative of a gage family with approval from the Fisher Dynamics Facility Quality Manger. **Refer to the current AIAG Measurement Systems Analysis manual for further information to perform GR&R studies.**

4.06 Statistical Process Control (SPC)

On-Going Performance Requirements:

Statistical Process Control (SPC) is an effective method for continuous improvement. Suppliers shall implement SPC as an integral part of the overall quality system. Use of control charts, preferably variable, is the statistical control method recommended to analyze process variation. Suppliers are expected to use the information gained from control charts to reduce process variation. (Note: designated special characteristics may not need to be statistically monitored if agreed upon with Fisher Dynamics engineering or plant QE).

Acceptance criteria for Pp/Ppk and Cp/Cpk indices and reaction plans implemented for these conditions are identified in the AIAG PPAP manual. All dimensions on ballooned prints must be laid out, excluding reference and basic dimensions. For non-critical characteristics, a CPK of 1 is expected. Suppliers shall follow these requirements. Failure to meet these requirements will result in a PPAP and/or shipment rejection, as applicable. **Refer to the current AIAG Statistical Process Control (SPC) manual and the AIAG PPAP manual for further information to implement SPC.**

4.07 Lot Size/Standard Pack

Lot size and/or standard packs are to be agreed upon between Fisher Dynamics Purchasing and the supplier prior to sourcing. Standard packs will be reflected on the weekly releases and should be verified by the supplier for their accuracy. Standard packs must be included in quote responses.

4.08 Container Serialization/Lot Traceability

Lot traceability is a method of accounting for components and/or raw material if a nonconformance to specifications occurs. This system provides a more efficient retrieval of parts and/or raw material. The supplier shall establish and maintain documented information for identifying the product during all stages of production (including work-in-process (WIP), rework/repair, storage, and delivery). A supplier lot number shall be assigned to each production lot.

The supplier lot traceability must provide for the following conditions:

- Labeling to be an AIAG B10 Barcode Label containing the Fisher Dynamics part number, revision level, part description, quantity, F&C Supplier Code, supplier lot number, and serial number on each container. The lot number must be traceable throughout the supplier's system to include supplier Heat, Lot Code, and Material certifications.
- Supplier's system to identify suspect product based upon the lot and serial number on each container.
- Part and/or material lot number traceable back to production and/or quality records for specified lot number indicated on the container.
- Supplier finished product lot number(s) traceable to specific container serial numbers as shipped to Fisher Dynamics.
- Part numbers cannot be mixed within a container.
- Containers are to be processed container-to-container unless otherwise directed.
- Products with safety and /or regulatory requirements identified and traceable as required.

4.09 Die Sources or Outside Stamping Sources That Use Fisher Dynamics Supplied Raw Material

Fisher Dynamics is required to ensure that raw material that goes to a die source or an outside stamping source is identified with a raw material barcode. This barcode will be attached to the material. It is the supplier's responsibility to ensure this tag is on the material when received and a copy of this material tag is with **every container** when shipped. A copy of the material tag is to be stapled to the supplier's tag and in the container sleeve when shipped. This tag must be with parts in order for Fisher Dynamics's Receiving Inspection to accept these parts.

Any unused raw material shipped back to Fisher Dynamics must also include a copy of the material barcode to be accepted. Supplier is required to maintain records of lot traceability. If container or raw material is not identified or traceability is lost then it will be the responsibility of the supplier to get the material tested at an outside, certified laboratory to ensure it meets customer and Fisher Dynamics print requirements.

4.10 Record Retention

Suppliers shall define, document and implement a record retention policy per the following to include statutory, regulatory organization, and OEM/customer-specific requirements, as applicable:

Maintain purchase orders and amendments, engineering change/version control – including external records, PPAP submission packages, re-qualification and validation records, tooling, maintenance, traceability, engineering and inspection records providing evidence of conformity to requirements, and all safety inspection records and lab results for the active life (production plus service) of the product plus one calendar year or a minimum of fifteen years in total, whichever is the longer, unless otherwise specified by Fisher Dynamics.

- Maintain corrective / preventative actions (8D's) and supporting data for three years.
- Retain records of internal quality system audits and management review for three years.
- Document retention, storage, protection, and preservation (including legibility preservation) retrievable upon request and disposed of per the supplier policy.
- Retain production inspection and non-safety test records for a minimum of one year from the year they were created.

These requirements do not supersede any regulatory nor OEM requirements. All specified retention periods shall be considered "minimums".

4.11 Preservation and Post-delivery Activities

The supplier shall preserve the product and service provided, including identification, handling, contamination control, packaging, storage, shipping, labeling requirements, and, as specified by the standard of certification, OEM/customer-specific, legal and statutory requirements. The supplier must follow the requirements stated on the Fisher Dynamics Purchase Order. The following are Fisher Dynamics specific requirements:

- The supplier shall provide methods of handling products that prevent damage or deterioration prior to shipment. Spillage or foreign object damage must be reported to the Fisher Dynamics facility Materials Department prior to processing or shipping (refer to section 7.02).
- The supplier shall use designated storage areas to prevent damage or deterioration of products pending use or delivery. Appropriate methods for authorizing receipt and dispatch to and from such areas shall be stipulated. In order to detect deterioration, the condition of the products in stock shall be assessed during the supplier's scheduled internal audits.
- The supplier shall arrange for the protection of product quality after final processing. This protection shall extend to include delivery to destination. Packaging is to be agreed upon between the supplier and Fisher Dynamics Purchasing.
- Unless otherwise agreed to, all containers/pallets must be stackable, at a minimum static two high.
- Fisher Dynamics requires incoming parts/raw material to be rust free for a minimum of 30 days after receipt by Fisher Dynamics. Fisher Dynamics Purchasing/Quality must agree to any exceptions.
- Supplier shall implement an inventory management system stock rotation; such as, first-in-first-out (FIFO).

4.12 Capacity Planning

Fisher Dynamics expects its supplier to utilize capacity-planning tools and have documented plans for their facilities. The supplier shall provide their capacity planning details specific to Fisher Dynamics awarded business on the customer-specific forms, as required and take into account all SDC and MCR requirements to meet the OEM standard. Fisher Dynamics expects no more than 90% utilization at 24 hours per day, 5 days per week, and 47 weeks per year (235 days/year total).

5.00 QUALITY AND PRODUCTION PART APPROVAL PROCESS (PPAP)

All PPAP submissions are expected to adhere to all Fisher Dynamics standards, Customer Specifications, FMVSS standards, and follow the AIAG PPAP standards and Forms. The PPAP shall be completed at no additional cost to Fisher Dynamics, electronically in Plex using the "Online Supplier PPAP" section. PPAP approval is issued by Fisher Dynamics Quality prior to any production shipments by the supplier. Unless otherwise specified, <u>the default PPAP submission level is Level 3</u>. All items on the Plex PPAP checklist attached in Plex need to be uploaded per the individual line item note requirements. Any questions or requested exceptions are to be directed to the Fisher Dynamics Quality representative designated in the PPAP. Suppliers are responsible for reviewing Plex at a minimum monthly and following up with the Fisher Dynamics Quality Representative PPAP designee to ensure PPAPs are fully approved and open items addressed.

For all directed suppliers:

The Supplier shall submit the Digital PSW to Fisher Dynamics, signed PSW/OEM evidence of PPAP approval from the OEM/Customer, Part Number Cross Reference list, Conflict Mineral Disclosure Letter, Dimensional results with Notated Drawing, Quality certifications, IMDS to each receiving facility, an Interim Recovery Worksheet (FD1411) for any out of spec dimensional results and the signed deviation from the OEM/Customer.

Any deviations require a <u>signed</u> deviation acknowledgement/authorization Interim Recovery Worksheet (FD1411) from the appropriate Fisher Dynamics Engineering representative to be included with the PPAP (i.e. – no unsigned deviation forms Interim Recovery Worksheet (FD1411) will be accepted with the PPAP submission, it must be fully completed **prior** to PPAP submission).

Failure to submit a complete PPAP on time may affect the supplier scorecard. It is the supplier's responsibility to resubmit any PPAP that was rejected (or has an interim approval) in order to have full approval granted prior to expiration of any authorizing deviation, Interim Recovery Worksheet (FD1411), or PSW.

Unless otherwise specified by Fisher Dynamics to include customer-specific requirements in writing, dimensional layouts are required on a minimum of **six (6) parts per cavity**. These samples are to be randomly selected from a minimum PPAP production run of 300 parts. All ballooned prints must be fully laid out and for non-critical characteristics a CPK of 1 is expected, reference and basic dimensions not required. All Dimensional reports shall align to the ballooned print call outs and numbers, and include a CMM Roadmap of where the points were taken.

All tools designed to be ran in a press shall include counters to indicate how many times the die has been operated. All molded parts shall have a mold flow analysis unless otherwise agreed to in writing by Fisher Dynamics engineering or supplier quality.

When the electronic online submission is complete, the supplier must submit one (1) PPAP sample. The sample must be numbered to show correlation to the layout to compare the data should Fisher Dynamics opt to perform an independent layout. This sample shall be submitted to the F&C Quality Representative listed in the PPAP. The supplier is responsible for retaining the other layout samples from the same production lot submitted with the PPAP submission. Suppliers are required to do annual PPAP's and retain all documentation (Level 4 with PSW, dimensional study, process capability updates, annual validation data, and latest process documentation). Fisher Dynamics reserves the right to review all documentation within 24 hours when requested. Failure to provide this data as requested could incur costs associated with any containment activities and a penalty of up to \$2,000. At a minimum, a dimensional report, a performance report, a material report, and capability studies are

required annually. This includes sub suppliers where product testing is required; such as hardness, and processing; such as, coatings, plating, welding, etc.

All product-testing specifications (i.e., chemical, physical, mechanical, metallurgical, environmental life testing, etc.) stated on Fisher Dynamics drawings or referenced in standards must be conducted by an accredited laboratory and submitted with the PPAP. This must include the lab scope to obtain PPAP approval. One part/panel/sample shall be tested unless otherwise noted as part of the specification, on the print, or directed by Fisher Dynamics Quality or Engineering. To be qualified, an outsourced laboratory must be accredited to ISO 17025 and an internal laboratory must be ISO-9001 or IATF 16949 certified. The supplier's internal lab scope must include the performed test(s). The requirements on the print / standard must match exactly what is being tested or purchased. Fisher Engineering must approve any substitutions.

Heat Treat sources must include a microstructure analysis/report with each PPAP package, along with a minimum 30-piece capability study per the print and/or specification requirements. This is to be done for each cavity and for each heat treat process if more than one is used. The heat treat number and certification of compliance must be included with each production shipment.

Unless otherwise agreed to in writing by Fisher Dynamics SQE, a minimum 30-piece Pp/Ppk and CP/Cpk (variable data) study or 300-piece attribute study for Fisher Dynamics designated special characteristics (e.g. IPFs/CCs/SCs/ KPCs/ICDs) must be submitted for PPAP approval (note: ICD identifies Interface Control Document). These studies must be completed for every tool cavity. The supplier shall have on file, and provide upon request, the data for all Fisher Dynamics designated special characteristics. Variable data capability studies must be performed at a minimum annually including pass-through characteristics, unless otherwise agreed upon for PPAP.

Suppliers of components or assemblies with components covered under the FMVSS302 regulation (Federal Motor Vehicle Safety Standard for Flammability of Interior Materials) must annually submit a letter of compliance/report along with each PPAP package showing the material passed this requirement. The test report must be included along with the certified 17025 laboratory certificate.

Suppliers with welding as part of their processes shall comply with all print and industry standards in addition to customer-specific requirements. Cut & Etch, or other specific tests, must be performed as required and capability studies completed. Weld measurement data, including digital photos or electronic files, is to be submitted with the PPAP package and retained by suppliers. Check with the designated Fisher Dynamics SQE for any other specific requirements.

Failure to meet the Fisher Dynamics shipment releases due to a PPAP rejection is not acceptable. The supplier is responsible for submitting a complete, conforming PPAP package at the agreed time. If a PPAP rejection affects the supplier's ability to ship product on time per Fisher Dynamics' releases, the concern must be immediately brought to the attention of the Fisher Dynamics Buyer. Refer to the current AIAG PPAP manual for further information regarding PPAP requirements.

5.01 IMDS (Restricted, Hazardous, and Toxic Substances Reporting)

Fisher Dynamics suppliers must comply with all local, state, and federal laws and safety regulations regarding the use of restricted, hazardous, and toxic substances. IMDS must be submitted using the Fisher Dynamics part number and an IMDS needs to be submitted for each ship to location. These must be submitted online to the IMDS website at <u>www.mdsystem.com</u>. All PPAP submissions must have the IMDS submitted and approved <u>prior</u> to PPAP submission. Failure to complete the IMDS requirement

prior to PPAP submission will result in an immediate "Rejected" status on the PPAP submission and may result in a Problem Report and/or administrative charge.

<u>Company Name in IMDS</u>	Fisher Location(s) Represented	<u>Company ID Number</u>
Fisher Dynamics Metal Forming	Sterling Heights, Troy, Brownsville	32218
Fisher Dynamics	St Clair Shores, Corporate	23909
Fisher Dynamics / Matamoros	Mexico	60824
Fisher Dynamics / Shanghai	China	110543
Fisher Dynamics Evansville	Indiana	152327

5.02 PPAP Run-At-Rate Information

Suppliers must conduct an internal Run-at-Rate study and submit a Run-at-Rate summary sheet with their PPAP per the Fisher Dynamics or customer-specific forms, as required. Fisher Dynamics Purchasing and/or Supplier Quality may visit the supplier to witness the Run-at-Rate.

5.03 Launch Excellence (Pre-Launch Containment)

All new PPAP packages must include a Pre-launch Containment Control Plan (Launch Excellence) with enhanced inspection of parts at the supplier facility, prior to shipment. Suppliers are required to be in containment for at least the first three production runs consisting of the largest of 5000 parts or 90 days for any new part number. Fisher Dynamics Purchasing or Quality personnel may extend this period at their discretion. To exit from containment will require approval by the Fisher Dynamics Quality Engineer.

5.04 Process Audits

b) <u>Special Process Assessments</u>: For all components, Fisher Dynamics requires that its suppliers that process parts covered by one of the Continuous Quality Improvement (CQI) requirements, including their sub-suppliers, ensure that they complete the survey, meet the survey's minimum requirements. These must be completed in excel and in its entirety using the latest version. All non-conformances must be closed within 90 days to maintain their compliance. A copy of the finished assessment(s) must be included in the PPAP package. The assessments can be purchased at <u>www.aiag.org</u>.

CQI-9	Heat-Treat System Assessment
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CQI-12 Coating System Assessment

CQI-17 Soldering System Assessment

- CQI-27 Casting System Assessment
- CQI-11 Plating System Assessment

CQI-15 Weld System Assessment

CQI-23 Molding System Assessment

All suppliers and their sub-suppliers must update these assessments yearly. For all Fisher Dynamics facilities, the annual update is due one year from prior submission.

- c) <u>Layered Process Audits (LPA</u>): A LPA process shall be implemented by the supplier per the CQI-8 Layered Process Audit Guideline to provide continual improvement opportunities. Management who are competent to conduct the audits leads the layered process audit. The process requires:
 - 1. A schedule including frequency of audits and locations of planned audits.
 - 2. Audit layers used including different levels of employees in addition to top management.
 - 3. Customer complaints or rejections should trigger a layered audit on the process that was cause of the issue.

- 4. All processes within the organization to be included.
- 5. All findings to be recorded and measured for improvement.
- 6. Findings that cannot be corrected during the audit shall move to an action plan for monitoring to closure.
- 7. Records of audits to be maintained (3 years).
- 8. Questions to be reviewed periodically and updated to focus on customer and/or internal concerns. (Should be a living document)
- 9. May be completed as part of corrective action verification activities, as applicable.

5.05 Plex Problem Reports

There are two types of Problem reports issued to suppliers:

<u>Problem Report</u> – This is the Supplier 8D Problem Report for Quality Issues: Fisher Dynamics will
reject any non-conforming material, raw material or product, using the Plex online system. The
appropriate Fisher Dynamics Quality representative will create an initial Supplier Problem form in
Plex, notifying the supplier's Quality contact via and automated e-mail*. Suppliers are responsible
for reviewing Plex at a minimum monthly and following up with the Fisher Dynamics Problem
Report Initiator to ensure the appropriate status is noted for the PR status which includes
questions, additional detail or if the PR is being disputed Fisher Dynamics must be notified.

*NOTE: Suppliers are required to ensure that their contact information is updated if required and maintained in PLEX to ensure clear communication between Fisher Dynamics and its supply base.

2. <u>Delivery Problem Reports</u> – Fisher Dynamics Materials Management monitors the requirement for 100% on-time delivery. The planner compares shipments and schedules from the prior week and issues a Delivery Problem Report (DPR) in Plex if the supplier over or under shipped for the week. They may also issue a Problem Report if the supplier failed to ship on the assigned ship day (i.e. late or early), shipped in unapproved packaging, shipped with incomplete or incorrect labels, or created other shipment-related problems. A non-response fine may apply if a report is not acknowledged within this 24-hour window. A member of the plant Materials group will issue a DPR – Receiving form and inform the supplier's material group of the issue.

For any supplier issue found at Fisher Dynamics, the supplier is required to respond and acknowledge issue within one hour of notification by the Fisher Dynamics Quality department.

Suppliers are required to submit an initial corrective action report in the Plex Problem Report within 24 hours of a quality incident occurring. The initial response must include establishing containment action, quality alert with pictures of conforming and non-conforming material, supply of certified replacement stock, sorting or rework/repair plans, etc. Disposition of the non-conforming material is required within 72 hours of the initial quality incident notification. A final Problem Report must be submitted through Plex within 30 days of the incident being reported. Points will be deducted for late responses (PRs open over 30 Days) or for not having a full approval for actions taken with verification evidence by the required due date.

The Problem Report must include: interim/containment action and detailed root cause analysis; permanent corrective action(s), identified using a quality analysis tool (such as Five Why Analysis or Fishbone); verifications; updated DFMEA (if applicable) and PFMEA; control plans; and process flow (if impacted) and a read across to similar processes or products. Failure to complete and close out the

Problem Report with final corrective action within the required timeframe in addition to repeat issues, unless otherwise approved by Fisher Dynamics Quality, may result in an administrative charge.

Fisher Dynamics reserves the right to send any dispute or appeal to arbitration to the Fisher Dynamics Corporate SQE to arbitrate for all Fisher Dynamics plants as needed if the respective supplier and Fisher Dynamics plant cannot agree on a solution. Final determination will be the sole discretion of Fisher Dynamics SQE and Purchasing Team. Suppliers shall log into Plex weekly to review any pending charges, or concerns.

5.06 Quality Alert Notification

The supplier shall notify the appropriate Fisher Dynamics Materials or Quality contact of any shipments containing suspect material and/or product immediately after detection, without exception. The supplier shall identify the part number, the lot number(s), and serial number(s) of suspected containers. Replacement material will be requested immediately. If notification is not made and evidence is found that the supplier knew of the issue and had prior knowledge, Fisher Dynamics reserves the right to seek compensation for all aspects of the shipment to include but not limited to shipping, storage, handling, and administrative fees as appropriated by the Fisher Dynamics Purchasing and SQE teams.

5.07 Line Accumulations

When appropriate, Fisher Dynamics may institute line accumulation agreements for specific parts. Suppliers have the right to view or obtain samples when a quality issue is reported. Due to space limitations, however, Fisher Dynamics cannot keep line accumulative defects for more than one week unless there is an arrangement to return parts to the supplier for rework/repair at the supplier's expense.

5.08 Fisher Dynamics Containment Levels

Fisher Dynamics has the right to implement a containment to ensure no line interruptions. All related charges will be charged back to the supplier. Supplier containment shall continue for a minimum of three shipments after corrective action implementation to verify effectiveness of the corrective actions. The containment plan must cascade to any sub-tier supplier if applicable to the issue found.

Sorting companies must be on the Fisher Dynamics customer's approved-sorting list. Located in Supplier Plex Portal (ref 2.01)

- 1. Containment plan to include the following:
 - A written sort procedure that contains the method for sorting, a definition of a nonconformance (criteria), and the color and location of the certification witness marks placed on the part as defined by Fisher Dynamics Quality
 - Tools required for the sort (gages, paint pens, etc.)
 - If sorting is required onsite, necessary personal protective equipment (safety glasses, work gloves, etc.)
- 2. Contact the Fisher-Dynamics approved sorting company for the specific location
 - The supplier must provide the same detailed sort procedure and ensure the sort company arrives within one (1) hour
 - The supplier will be responsible for all costs between them and the sort company

- The hourly rate for the sort company is an agreed upon rate between Fisher Dynamics and the approved sort company and is not subject to negotiation
- Upon certifying enough material in house, the supplier may negotiate a swap of stock with the Materials department at the respective Fisher Dynamics plant

A. Controlled Shipping Level 1-CSI

- 1. Reasons for the imposition of CSI include, but are not limited to, the following:
 - a) A repeat issue on the same part within one calendar year
 - b) Two or more separate issues on an individual part within three months
 - c) A non-conformance resulting in the cessation of production in excess of 1 hour
 - d) A non-conformance that results in a Fisher Dynamics customer rejection
 - e) The failure by a supplier to implement containment within a three hour time frame of being notified
 - f) A non-conformance of a component that directly affects the safety of an assembly (determined at the discretion of the Fisher Dynamics Quality manager and Fisher Dynamics Purchasing)
- CSI requires that the supplier initiate a 100% inspection over and above the normal production control plan in response to a non-conformance.
- CSI may make use of the supplier's own employees and does not require the use of a third party.
- CSI remains in effect until release is approved by SQE/SQM. To exit CSI, the supplier shall complete the Fisher Dynamics Controlled Shipping Exit Checklist, and submit it to the SQE with all relevant data/evidence attached. CSII exit may be requested after 30 days, (unless otherwise approved in writing by Fisher Dynamics SQE/SQM), without incident at Fisher Dynamics facilities or those that are in the containment after permanent irreversible correct actions. Fisher Dynamics reserves the right for onsite verification by either Fisher Dynamics or a 3rd party representative chosen by Fisher Dynamics.
- When a supplier is placed in CSI by Fisher, the following procedures must be adhered to:
 - Within 1 hour of being notified, one of the actions mentioned above must be implemented to ensure uninterrupted production activity
 - The quality department from the affected Fisher Dynamics plant will issue a CSI letter to the quality manager of the respective supplier
 - After receiving the CSI letter, the supplier is required to respond within 24 hours with the Controlled Shipping Confirmation Reply available in the PLEX supplier portal.
 - The supplier is required to submit the CSI containment plan to the issuing quality manager prior to making any additional shipments; the plan must include the method for inspection and the color and placement of the CSI markings
 - For the duration of CSI, the supplier must submit the results from their CSI weekly, using the Controlled Shipping I-Chart sheet (available in the supplier PLEX portal), to the Fisher Dynamics Quality manager that imposed the CSI
 - Failure to comply with the CSI sanctions will result in additional financial penalties

B. <u>Controlled Shipping Level 2-CSII</u>

If a supplier fails to contain an issue through the CSI process, the supplier will be placed into CSII. The CSII letter will be issued, and the following actions must be completed:

- CSII will require that, in addition to the CSI containment, the supplier add an additional level of inspection by utilizing a third party containment house
- The CSII containment shall be conducted outside of Fisher Dynamics and the source company will be selected by the supplier from the list of Fisher Dynamics approved suppliers.
- The supplier will need to follow the guidelines for initial containment outlined above
- A rewrite of the CSI procedure, as well as a detailed CSII procedure, will be due to the issuing Fisher Dynamics Quality manager prior to the next supplier shipment being made
- The CSII procedure must include the name of the third party who will be certifying the material
- From that point, a weekly results sheet will be due to the plant quality manager for both the CSI containment as well as the CSII containment using the CSI and CSII reporting sheets
- Both reports must include all lot numbers inspected
- CSII remains in effect until release is approved by Fisher Dynamics SQE/SQM. To exit CSII, the supplier shall complete the Fisher Dynamics Controlled Shipping Exit Checklist, and submit it to the SQE with all relevant data/evidence attached. CSII exit may be requested after 30 days, (unless otherwise approved in writing by Fisher Dynamics SQE/SQM), without incident at Fisher Dynamics facilities or those that are in the containment after permanent irreversible correct actions. Fisher Dynamics reserves the right for onsite verification by either Fisher Dynamics or a 3rd party representative chosen by Fisher
- At the cessation of CSII, the supplier shall continue in CSI for an additional 30 days (unless otherwise approved in writing by Fisher Dynamics SQE/SQM) past the accepted 8D corrective action.

The Controlled Shipping forms are located in the Plex Supplier Portal under Supplier Documents *The approved Supplier List is located in Supplier Plex Portal (ref 2.01)*

5.09 Cost Recoveries

A supplier's defective part may cause sorting, scrap, or customer returns. The supplier may have their account debited to recover costs incurred by Fisher Dynamics resulting from the non-conformance. The chargeback amount will appear as a Cost Recovery in the Problem Report (PR) and will be debited from the next supplier payment. Chargeback amounts will strictly be costs incurred, not punitive. Shipping product at 0 PPM ensures the best opportunity for profitability and cost-avoidance for both customer and supplier, and it is expected.

Examples of costs that can be charged back to the supplier:

- Administrative charge of \$100 for each PR issued to cover the collection of data and documentation of the quality incident/spill.
- Administrative charges increase for repeat PR's, first repeat offense \$250.00, additional repeat offenses at \$500.
- Late response, or non-responsiveness to PRs, from a supplier may result in a weekly \$250.00 late response fee. This may be issued multiple times if the supplier remains unresponsive or uncommunicative.
- Administrative charge of \$1,000.00 for a Fisher Dynamics customer complaint in addition to any customer charges assessed to Fisher.

- On-line and warehouse containment activities (including floor space charges).
- Sorting of suspect material in-house, at a customer, or at a third party location. Fisher Dynamics reserves the right to commence the rework/repair or sort process with an hourly charge per employee, plus overhead (i.e. salaried labor, gages, customer returns, scrap, down time, etc.
- Disposition of supplier and/or customer scrap, including any in process or finished assemblies. Receiving inspection, material handling, and freight (regular or premium if required) associated with scrap, replacement material, or sending samples.
- Rework/repair and overtime charges to avoid production interruption. Production downtime fines for Fisher Dynamics and/or Fisher's end customer.
- Any related travel expenses, either to the customer or supplier facility, necessary for related quality issue.
- Any material testing, internal or external
- Any required tools or sort gages
- Engineering, Quality, or Administrative support

The list above is not all-inclusive. Fisher Dynamics reserves the right to debit all costs associated from supplied defective material.

Fisher Dynamics reserves the right to send any dispute to the Fisher Dynamics Corporate SQE to arbitrate for all Fisher Dynamics plants as needed if the respective supplier and Fisher Dynamics plant cannot agree on a solution. Final determination will be the sole discretion of Fisher Dynamics SQE and Purchasing Team. Suppliers shall log into Plex weekly to review any pending charges or concerns.

5.10 Rework/Repair

<u>Rework</u> – Bringing a non-conforming part back into conformance by simply reprocessing a prior sequence. <u>Repair</u> – Bringing a non-conforming part back into conformance using methods outside the original process.

The supplier shall have documented procedures in place and added to the PFMEA, Control Plan and Standardized Operator Instructions to ensure the control and review of reworked and /or repaired products. These procedures must provide for inspection of reworked/repaired products in accordance with the control plan and/or Fisher Dynamics specifications. Procedures must be submitted to the Fisher Dynamics Quality representative for approval prior to implementation. Reworked/repaired material must be returned to Fisher Dynamics and be clearly labeled with caution label, as provided in appendix A, with the associated Problem Report # visible on the label.

5.11 Supplier Performance "Needs Improvement" Notification

Suppliers may be required to present an onsite review of their Problem Report(s) at Fisher Dynamics. The number of Problem Reports (PR) issued and the severity of the occurrences will be the criteria used to determine if a supplier must participate in the reviews. Reviews will be held as required and suppliers must appear in person at Fisher. The required notification will go to the supplier's Plant Manager, Quality Manager and Sales contact as maintained by the supplier under Contacts in Plex for each individual Fisher Dynamics location. Supplier representatives at these meetings must have the technical and operational knowledge required to answer and explain the details of the PR.

If there are any questions regarding the material in this section, please forward them to the appropriate Fisher Dynamics Purchasing or SQE contact.

5.12 OUTSOURCED SERVICES

Outsourced services (such as; heat treat, coating, plating, etc.), in addition to the requirements for QMS certification as detailed in par. 3.0, are required to submit material or process certification of compliance with the shipping documentation or by emailing it to the Materials Department for the receiving Fisher Dynamics facility. This certification must list the required specification used for testing/inspection as well as the results demonstrating that all requirements have been met.

6.00 Purchasing

The supplier shall establish and maintain documented procedures to ensure purchased product meets the Fisher Dynamics specified requirements. The supplier shall purchase material from Fisher Dynamics's approved subcontractors when so directed by Fisher Dynamics Purchasing.

6.01 Government, Safety, and Environmental Regulations

Materials purchased by the supplier and/or subcontractor to manufacture parts for Fisher Dynamics shall comply with current regional environmental, governmental, and safety constraints on restricted, toxic, and hazardous materials. Reference the contractor package for additional information.

Contracted Services must adhere to the aforementioned Fisher Dynamics environmental and safety policies. (Ref.: <u>Contractor EHS Method Statement Briefing Packet_FC-ENV-FM-8.1-2-a</u>) Contracted service provider is responsible to ensure that all personnel performing services onsite are trained prior to entering a Fisher Dynamics Facility.

Tariffs are normal business-market changes and are not a force majeure event. Suppliers must take every possible action to mitigate the cost effect of tariffs immediately and continue to report its progress to Fisher.

6.02 Request for Quotation (eRFQ)

RFQ's are submitted online via the Plex RFQ node. On rare occasions, they are submitted via-e-mail, or hard copy. Suppliers with access to Plex, however, must ensure their quotations are represented in Plex in some form. RFQ's are to be returned to the appropriate Buyer via the Plex RFQ (unless otherwise instructed) by the due date on the RFQ. Quote submissions must include piece price, tooling, gages, timing information, a marked-up drawing (if deviations are required), standard pack quantities, and the FD RFQ Detail Price Breakdown form. Incomplete quote submissions will not be accepted or considered.

6.03 Component Detail Drawings

Component prints are primarily sent electronically to the supply base in the eRFQ system as a pdf file, but may be mailed, e-mailed, or faxed. Most computers can read pdf files using Adobe Acrobat Reader ™ as this is standard on most computers; however, it can be downloaded from Adobe's web-site at <u>www.adobe.com</u>. Other file formats, including CAD data, may also be sent on occasion or at the supplier's request.

6.04 Supplier User ID – Plex Access

See section 2.1.

- **6.05 Purchase Orders:** Fisher Dynamics issues two (2) types of purchase orders:
 - 1. Blanket Purchase Order: The blanket purchase orders are requirements contracts for all production material. The supplier is to ship against this blanket purchase order as directed by the weekly material release. Blanket purchase orders are available for viewing through Plex and governed solely by the Fisher Dynamics Terms and Conditions of Purchase, unless otherwise specifically noted on the PO.
 - 2. **Other Purchase Orders:** These purchase orders can be used in specific cases, such as for a spot buy or miscellaneous order, and will have a unique, automatically generated number assigned to them.

6.06 Freight Terms

The blanket or discrete purchase order identifies freight terms, as well as ship-to locations. The supplier is responsible for ensuring that containers are properly labeled (as detailed in Sections 4.07 and 7.01) before shipment to the next destination.

6.07 Restricted, Hazardous, and Toxic Substances

Fisher Dynamics suppliers must comply with all local, state, and federal laws and safety regulations regarding the use of restricted, toxic, and hazardous substances. Per ISO-14001, suppliers must comply with all environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale. Specific OEM or customer requirements may apply and be requested if necessary.

6.08 Supplier Invoices

Fisher Dynamics does not require invoices for production material ordered via material releases through the blanket PO, but requires a monthly A/R statement sent via email to <u>apinvoices@fisherco.com</u>. Fisher's receipt of supplier material automatically generates an electronic invoice, and EFT payment commences per the payment terms listed on the blanket PO.

Remittance advice is found on Plex. EFT and mailed payments do not have an accompanying remittance advice. The supplier is responsible to review the payment and the advice for accuracy. Due to routine electronic file purging, claims made to Fisher Dynamics for missing transactions, receipts, or otherwise over four months old may not be considered.

Invoices for discrete POs <u>must</u> continue to be sent to <u>apinvoices@fisherco.com</u> (i.e. tooling, spot buys, prototypes, etc.) and the initiator of the purchase order. When multiple purchase orders exist for a supplier, it is critical that the supplier references the correct PO# on the shipping and invoicing documents.

6.09 Payment Terms

Fisher Dynamics standard corporate payment terms for production components are <u>Prox 15th, 2nd</u> <u>Month</u> upon receipt. Abiding by these terms, for example, all material **received** by Fisher Dynamics in the month of January would paid for on March 15th.

6.10 Purchase Order Terms and Conditions

Fisher Dynamics Terms and Conditions of Purchase cover all blanket purchase orders and discrete purchase orders issued by any Fisher Dynamics location. It is the supplier's responsibility to either

download these terms or request them from Fisher Dynamics Purchasing for review. Fisher Dynamics Terms and Conditions, together with this Supplier Manual and Purchase Order, supersede any other terms unless clearly stated otherwise on the Fisher Dynamics Purchase Order.

Fisher Dynamics Terms and Conditions of Purchase

6.11 Payment for Production Parts

Fisher Dynamics reserves the right to withhold payment on production parts that have not received **FULL** PPAP approval.

6.12 Payment for Production Tooling

The appropriate Fisher Dynamics buyer will negotiate payment timing for tooling, which should match Fisher's tool payment timing with its end customer, at the time of production sourcing. Invoices for production tooling will only be processed for payment if the supplier has achieved **FULL** PPAP approval. Tooling for parts that have a conditional PPAP approval status will not be paid until the PPAP is fully approved or unless these three conditions apply:

- 1. Fisher Dynamics Engineering agrees to modify the print to agree with the exceptions in the supplier's PPAP.
- 2. The print change cannot be made within a reasonable time period and Fisher Dynamics and/or its customer causes the delay.
- 3. All other PPAP requirements have been satisfied.

6.13 Tooling Timelines

All suppliers must submit a timeline to the appropriate Fisher Dynamics Buyer after receiving either a Purchase Order for new tooling or an engineering change impacting tooling within 48 hours of receiving the PO or engineering change. Timelines must identify the steps and timing required to modify or build tooling, PPAP, and exhaust old inventories. Timelines must be updated and submitted to the Fisher Dynamics Buyer and/or Program Manager weekly. Timelines must be submitted for all process changes as well. Microsoft Project is the preferred format. Fisher Dynamics reserves the right to intercede in the tool build process and take control of said tool builds with the selected supplier as needed.

6.14 Value-Analysis/Value-Engineering

As new production components are being tooled, being validated, or during the first year of production, Fisher Dynamics expects suppliers to be able to make VA/VE suggestions that can help reduce costs throughout the supply chain. Fisher Dynamics will note suppliers that actively participate in VA/VE activities during future part sourcing reviews.

6.15 Asset Tags

Suppliers are responsible for identifying tooling with a Fisher Dynamics Asset Tag. If not supplied with the tooling purchase order, contact the Fisher Dynamics Buyer for asset tags. After affixing this tag to the tool, a picture must be taken of the tooling showing the attached tag, and the picture then must be sent to the Buyer via e-mail <u>prior</u> to tooling invoice.

6.16 Process Changes

Fisher Dynamics must approve all proposed process or sub-supplier changes prior to implementation. Suppliers are to use the CR (Change Request) process when considering a change. Requirements are clearly identified and must be followed. Failure to follow this process when considering changes may result in a production shutdown, chargebacks from Fisher Dynamics and/or its customers, or other consequences.

6.17 Tooling Owned by Another Customer

If another of the supplier's customers owns the tooling used to manufacture a part for Fisher Dynamics, and if the other customer makes changes to the tool and those changes affect the part supplied to Fisher Dynamics, the supplier shall notify the Buyer in writing immediately. A PPAP is required for these tooling changes for Fisher Dynamics to be able to PPAP to its customer. The supplier must give Fisher Dynamics ample time to allow these PPAPs and approvals to occur. Failure to follow this process may result in a production shutdown, chargebacks from Fisher Dynamics and/or its customers, or other consequences.

6.18 Diversity Statement

Fisher Dynamics encourages and expects its suppliers to purchase a portion of its materials and services from certified minority sources. The National Minority Business Development Council or its regional affiliates should certify these minority sources. If a Fisher Dynamics supplier is a minority-owned business, is a new supplier or has received a new certification, then the supplier must submit a copy of the certification, or evidence of Diversity Program to the Fisher Dynamics Buyer, as well as upload the certification into Plex.

6.19 Conflict Minerals Reporting

Fisher Dynamics requires its suppliers to be compliant on reporting sourcing data for conflict minerals as defined through the U.S. Securities and Exchange Commission rules. Suppliers can report by completing a Conflict Minerals Reporting Template and uploading it to the supplier certificates in the Fisher Dynamics PCN of Plex. If a supplier answered "Yes" to any of the questions or has a smelting operation, a copy of the completed form must be sent to <u>conflict.minerals@fisherco.com</u>. For all Fisher Dynamics facilities, the annual update is due 1 year from the prior submission (For the Conflict Minerals template, see the Supplier Plex Portal (ref 2.01)). The most current template is required to be submitted in Excel and in English.

6.20 Service Requirements

All OEM and Tier One customers require that service parts be available from the supplier up to 15 years after program end-of-production (EOP). All Fisher Dynamics suppliers are expected to maintain tooling in good working condition for 15 years after EOP for any given program. At the time Fisher Dynamics is notified of service requirements from its customer, Fisher Dynamics will examine inventories and determine if service parts are needed. Service parts will be offered at production level pricing for 5 years following program EOP. After this period, the pricing will be negotiated for special circumstances. No tooling can be scrapped, altered, or moved without authorization from Fisher Dynamics Purchasing.

7.00 MATERIALS PLANNING & LOGISTICS (MP&L) REQUIREMENTS

7.01 Part Number Nomenclature

When a new blanket PO for a part is received, all material handling related paperwork and processes must be updated to reflect the part number as shown on the PO. Example - A new PO is issued for part 12345-02 (part 12345 at revision 02). ASNs, shippers/BOLs, box/container labels, and scanning fields on labels must all be updated to match the part number as shown on the PO (including the "-"), in this example 12345-02.

Failure to utilize the appropriate numbering system may result in shipments not being scanned, a PR or DPR and associated charges, and non-payment of said shipment.

7.02 Labeling

The requirement is an AIAG B10 serialized barcode label (minimum 4" x 6") on each container that includes the Fisher Dynamics part number, part description, quantity, Supplier serial number prefix, revision level, supplier lot number, Fisher Dynamics PO number, date, and serial number. The lot number must be traceable throughout the supplier's system. Each container must have a unique serial number, which can never repeat. All production suppliers have a unique Plex supplier prefix code. Each serial number must begin with the supplier's prefix code. Every production supplier must submit a sample label for test/scan approval prior to the first shipment to Fisher. The Label Certification Form can be found on the Supplier Plex Portal (ref 2.01) with a sample label shown in Appendix B. The barcode spacing should follow Code 39.

Failure to label each container properly may result in a Problem Report, non-payment of product received, shutdown of production at Fisher Dynamics and its customers, chargebacks and other outcomes.

7.03 Packaging

All packaging must be approved through the <u>Supplier Packaging Data Form</u> found at <u>http://www.fisherco.com/resources/index.htm</u> and have been quoted as part of the piece price unless otherwise instructed. Damaged Fisher Dynamics returnable packaging, or those containing foreign material, should be identified as such and returned to Fisher Dynamics. Suppliers are responsible for ensuring that containers are clean and free of water or other contaminates prior to use. For international shipments, suppliers are responsible to provide certified pallets and seaworthy packaging capable of protecting components from rust. Contact the appropriate Fisher Dynamics Materials Manager with any questions. Fisher Dynamics requires containers be robust enough to be stackable to minimize floor space, and must approve any packaging exceptions.

All parts are to be shipped in the same container and quantity to the next destination, unless otherwise instructed or agreed to.

Containers are to be filled to their identified standard pack quantity. If a standard pack has not been identified, the containers must not be over-filled as to potentially cause damage to the parts or the container. If received parts are over-filled where fork lifts (or other things) could damage parts, contact the appropriate Materials Manager. Suppliers causing a recurrence of this issue will be debited for any associated cost in correcting this issue.

7.04 Material Releases

Fisher Dynamics authorizes its suppliers with a two (2) week firm fabrication schedule (finished product) and four (4) week planning schedule (raw material). Releases are available via the Plex

Supplier Portal and may also be transmitted via EDI. Fisher Dynamics is not financially responsible for any in-process or raw material exceeding these authorizations.

Raw material suppliers must submit a material certification with each shipment. Certification from outside testing labs must be from labs accredited to ISO 17025. Please contact the appropriate Fisher Dynamics Buyer with any questions on this requirement.

7.05 Plex Access

See section 2.1.

7.06 Electronic Data Interface (EDI)

Fisher Dynamics requires communication with all of its suppliers via EDI. Fisher Dynamics utilizes the X12_4010 format for sending releases and receiving ASNs. A complete set of specifications and instructions to set up EDI connectivity with Fisher Dynamics is available in the supplier plex portal (ref 2.01) and on the Fisher Dynamics website at www.fisherco.com

7.07 Serialized Advance Shipping Notice (ASN)

All suppliers are required to send Serialized ASN's to the appropriate Fisher Dynamics facility for every shipment of production material. The ASN must be sent and received prior to Fisher Dynamics receiving the material contained in the ASN. ASN's should be sent through EDI, but can be accepted through the Plex Supplier Portal temporarily until the supplier can convert to EDI. Failure to send a proper Serialized ASN may result in non-payment for the affected shipment. The Fisher Dynamics deadline for all production suppliers to utilize Serialized ASN's is January 1, 2019. For ASN issues, contact the receiving plant material manager.

7.08 Ship-To Location

All parts shall be shipped to the company location indicated on the purchase order, unless directed otherwise by the Fisher Dynamics Materials Department.

7.09 Certificate of Origin

All suppliers must submit Certificate of Origin documents (COO) on each active component that ships to Fisher Dynamics every January 1st to their respective Material Planner and upload into Plex under the certification section. Failure to comply with this requirement may result in a Problem Report. (See section 3.00).

7.10 100% On-Time Delivery

Fisher Dynamics requires 100% on-time delivery from its suppliers. (Refer to Pyramids of Success - POS)

7.11 Engineering Changes, Build-Out Cums, PPAP Approval

Fisher Dynamics internally releases engineering changes to components through ECRs (Engineering Change Release). If there is a request to make a change to a component, or to cost a potential change to a component, Fisher Dynamics Purchasing will send this to the supplier via the Plex RFQ node.

Engineering changes are kicked off through the receipt of a Purchase Order issued by the Fisher Dynamics Buyer, which will contain the required timing for PPAP or other documentation. The implementation of the new released component will be coordinated by the Fisher Dynamics Materials Planner and appear on the releases. A build-out cum will be developed between the supplier, which will drive the implementation date, and the Fisher Dynamics Buyer. No obsolescence will be considered, unless approved in writing from the Fisher Dynamics Buyer prior to the change.

When given a build-out cum by the Fisher Dynamics Buyer, a Supplier must not ship new product to Fisher Dynamics (PPAP samples excluded) until it has fulfilled its build-out requirement. The supplier must notify the appropriate Fisher Dynamics Materials Manager when the build-out cum has been achieved. Obtaining PPAP approval from Fisher Dynamics does not allow for the immediate shipment of a new revision of parts. A supplier may receive PPAP approval from Fisher Dynamics before the new revision is required. Often old inventory at the supplier and/or Fisher Dynamics must be exhausted prior to implementing the new revision. Delay in shipment of the new revision may be due to Fisher Dynamics obtaining PPAP approval from its customer.

The supplier must ensure there is a complete understanding of the engineering change, the build-out cum, and the implementation date. Failure to comply with this requirement may result in obsolete finished and raw material. The supplier will be debited for and any scrapped product due to the non-compliance. Any questions should be directed to the appropriate Fisher Dynamics Buyer.

The supplier must identify the first three lots (or the first die run, whichever is greater) of production parts using an orange Supplier Caution Label (see Appendix A).

7.12 Cum Reconciliation

All suppliers are required to review their cumulative quantities shipped on a regular and routine basis internally. This can be done in Shipment History and in the EFT remittance in Plex, as well as through the EDI releases. Fisher Dynamics recommends performing this reconciliation weekly or bi-weekly to ensure that all shipments have been properly accounted for at Fisher Dynamics and at the supplier, which in turn ensures that payment is made promptly within the payment terms. Failure to reconcile cumulative quantities shipped against the posted receipts at Fisher Dynamics may result in lost shipments or short pays. Due to routine electronic file purging, claims made to Fisher Dynamics for missing transactions, receipts, or otherwise over four months old may not be considered. Any questions regarding cum reconciliation should be forwarded to the appropriate Materials contact for immediate resolution.

7.13 MMOG/LE (Material Management Operating Guidelines/Logistics Evaluation)

Fisher Dynamics recommends its suppliers utilize the MMOG/LE audit process found at <u>www.aiag.org</u>. Most OEM customers require this audit to be utilized throughout the supply chain as a tool to improve MP&L processes and procedures, with the primary objective of protecting OEM production.

8.00 PYRAMIDS OF SUCCESS



Fisher Dynamics Purchasing measures the <u>quarterly</u> performance of its supply base using the Pyramids of Success. This program rates supplier performance in eight categories:

- Delivery Performance Per Million Parts Shipped- 25 pts
- RPPM (Rejected Parts Per Million) –25 pts (+ 5 pts Bonus for 0 ppm)
- # of Quality Incidents Per Million Parts Shipped 25 pts
- Utilization of ASNs 5 pts
- Quality Documentation 5 pts
- Service 15 pts
- Diversity Spending 5 pts bonus
- Certifications 5 pts bonus

The information gathered from all plant locations are combined quarterly to provide a total score of 115 points (including 15 possible bonus points). Scores are uploaded into Plex under "Online Scorecard Results". The supplier is to review this information to identify strengths, weaknesses and opportunities, and work toward action plans to improve for the next quarter.

A score of 90 points or above shows a true commitment to the goals and objectives of Fisher Dynamics. Those at 80 points or above are at an "acceptable" performance level. Suppliers at 70 points or above are considered "struggling", 69 points or below is considered "failing".

Those suppliers that are "struggling" or "failing" at the end of each quarter shall submit corrective action plans to improve performance for the following quarter. Fisher Dynamics Supplier Quality will review and monitor these plans to ensure improvement. Being a "struggling" or "failing" supplier can result in a new business hold, partial loss of business, or resourcing.

SUPPLIER BUSINESS STANDARDS





SUPPLIER BUSINESS STANDARDS







APPENDIX A – Supplier Caution Label

FISHER Dynamics	CAUTION LABEL
Engineering Change	PTR/SBO #
New Part Number	TCA #
EWO #	PCA #
□ TWO #	ECR #
Supplier: Part	Number: Part Description:
Coordinated Change	Revision Level:
Running Change	
Description of Change:	

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APPENDIX B – Sample Production Label (4" x 6" minimum size)



FISHER DYNAMICS 33195 HARPER AVE. ST CLAIR SHORES MI 48082

APPENDIX C – Contingency plan requirements

The organization shall:

- Identify & evaluate internal and external risks to all manufacturing process and infrastructure equipment essential to maintain production out-put and to ensure customer requirements are met;
- 2. Define contingency plans according to risk and impact to the customer;
- 3. Prepare contingency plans for continuity of supply in the event of any of the following: key equipment failures; interruption from externally provided products, processes and services; recurring natural disasters; fire; utility interruptions; cyber-attacks on information technology systems; labor shortages or infrastructure disruptions;
- Include, as a supplement to the contingency plans, a notification process to the customer and other interested parties for the extent and duration of any situation impacting customer operations;
- 5. Periodically test the contingency plans for effectiveness (e.g., <u>simulations, as appropriate</u>);
- Conduct contingency plan reviews at a minimum annually using a multidisciplinary team including top management, and update as required;
- 7. Document contingency plans and retain documented information describing any revision (s), including the person(s) who authorized the change(s);

<u>**Contingency**</u> plan shall include provisions to validate that the manufactured product continues to meet customer specifications after the re-start of production following an emergency in which production was stopped and if the regular shut-down processes were not followed.