



**FISHER**  
D Y N A M I C S

**SUPPLIER  
MANUAL**

**2023**

**Revision 11**

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**MESSAGE TO SUPPLIERS**

Fisher Dynamics' 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:**

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

**Evansville**  
2301 St. George Rd.,  
Evansville, IN 47711

**Fisher Dynamics De Mexico**  
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

**Fisher Dynamics (Shanghai) Co Ltd.**  
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**  
1625 West Maple Road  
Troy, MI 48084

**Fisher Dynamics Sterling Heights**  
6550 Progress Drive  
Sterling Heights, MI 48312

**Fisher Dynamics Brownsville**  
2045 Les Mauldin, Suite 3F  
Brownsville, TX 78521

**FISHER DYNAMICS’ GLOBAL PURCHASING VISION AND STRATEGY**

*Our mission is to support the Fisher 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 General Contact information, please refer to supplier resources in the PLEX Supplier 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 (FD) and its customers. The supplier's quality program shall be documented and is subject to review by Fisher Dynamics. These 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, is compliant to engineering drawing requirements, product/process specification requirements, and all regulatory and statutory requirements.

The electronic, document controlled, English version of this manual shall be the master. Any translation or other format is an uncontrolled copy. Any questions or disputes of the manual shall be reviewed by the Fisher Dynamics' Supplier Quality Manager with use of the latest released and published master copy as the controlling document.

**1.01 Sourcing Statement**

Fisher Dynamics looks to the supply base to be sustainable in every aspect of its business. Fisher Dynamics will evaluate this through audits of sustainability, quality processes, and supplier finances (e.g. Sustainability Assessment – 1-year expiration (see the PLEX Supplier Portal (ref 2.01)), Global Supplier Audit – 3-year expiration). 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.

All suppliers to Fisher Dynamics shall have an identified Product Safety and Conformity Representative (PSCR) that is identified in the plex contact list for the supplier (ref 2.01).

Fisher Dynamics requires suppliers to be sustainable in all aspects of their business. For the latest Sustainability Policies requirements, refer to the Sustainability Reporting Requirements FC-SQA-WI-8.4.1-a, available in the Plex Supplier Portal (ref 2.01).

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 shall complete a Global Supplier Audit (GSA) self-audit and onsite audit verification in addition to the third-party certification in order to become an approved supplier. Fisher Dynamics' Supplier Quality may also choose to perform on-site GSA assessments at any time. All suppliers are required to use the Fisher Dynamics' tooling and gauge build standards when making tooling and gauges 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 all suppliers shall utilize PLEX. It is our primary communication tool for RFQ, remittance information, PPAP submission, problem reports (quality or delivery performance issues), maintenance of supplier certifications, supplier contacts, material releases, blanket purchase orders, shipment history, receipt histories, and any other communication as determined by Fisher Dynamics. Suppliers are responsible to ensure that their contact information is complete, correct, and current in the PLEX database for each Fisher Dynamics' location that is supplied to, as well as the Fisher Dynamics' corporate 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. Each supplier is responsible for the security and maintenance of their username and password throughout their organization, and suppliers shall log in at least once per month to prevent automatic login deactivation. PLEX requires the supplier to update their password every 90 days. If a password reset or reactivation is required there will be a \$100.00 administrative charge for each occurrence. Contact Fisher Dynamics' Purchasing or Supplier Quality 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 on the PLEX log-in page that needs to be run on any computer accessing PLEX. 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 (e.g. raw materials, components, secondary/finishing operations, 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. A Supplier Risk Assessment resulting in an assessment of low risk to Fisher Dynamics and its customers.
3. 2<sup>nd</sup> party audit either conducted by Fisher Dynamics or an approved 2<sup>nd</sup> 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, 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 shall 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 PLEX Supplier Portal, in supplier documents (ref 2.01)). This form has a two year expiration and shall be resubmitted when it expires.
- OEM customer-specific requirements for the manufactured product, (e.g. GM BIQS first 13 elements, FCA Process Audit and Ford Q1; as applicable – [see IATF Website](#)).

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, but is not limited to, the following, as applicable:

- Certificates (ISO 9001, IATF-16949, ISO-17025, ISO-14001)
- CQI Process-specific Assessments and associated action plans
- Responsible Minerals Sourcing Reporting (ref 8.19)
- Lab scopes (suppliers and internal)
- Supplier Sustainability Form
- FMVSS 302 Flammability Testing Reports (If applicable) or OEM requirement (may be required annually).
- UCT Form
- MMOG/LE audit (ref 9.13)
- Any Special Required Annual documents such as Plating or Coating Testing Reports

Note: Certifications shall be through a certified accredited body indicated by IATF 16949. For ISO 9001 and 14001, refer to the [Independent Association of Accredited Registrars](#). Certifications shall be uploaded 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 may 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 (within 24 hours) notify Fisher Dynamics of any and all disruptions in production and/or shipments prior to shipments 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, including quality-planning teams, and show evidence of this program. These teams shall complete all activities related to program start or product changes. The team should include representatives from engineering, manufacturing, material control, purchasing, quality, and subcontractors as well as Fisher Dynamics' representatives (Quality, Engineering, etc.). All program documentation created and submitted shall be in English. **Refer to the current AIAG Advanced Product Quality Planning and Control Plan manual, as well as, customer-specific requirements for further information regarding APQP.**

All pre-production and/or prototype builds shall have proper labelling, including the master box label, a 6-piece dimensional layout to print, material/process testing as applicable (cut and etch, peel and pry for welding, flammability for plastic, etc.), gauge certification, and material certification sent with the shipment of parts and available electronically.

#### **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 – The Process Flow shall show all steps from receiving raw material to shipping finished product, including all material moves and storage. The Process Flow, PFMEA, and Control Plan numbering system shall remain consistent throughout and between the documents, allowing for correlation of specific production steps, actions, and controls through the documents.*

#### **4.02 Failure Mode and Effects Analysis (FMEA)**

The intent of a Process FMEA (PFMEA) is to identify potential process failure modes and the effect on the product. 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/contingency procedures. Bypass/contingency processes include all alternative processing steps that could replace normal production steps in the event of an equipment issue. All Important Product Features (IPFs, e.g. SC/CC/SPC/AQC/PQC/KPC/T-Values), shall be included in the FMEA and marked with the accompanying designation, including 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 bypass/contingency processes and include appropriate ratings. This allows the bypass/contingency 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 include all steps from the receipt of raw material through the shipment of finished product. 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 IPFs specified on engineering drawings. Quality personnel will review and approve the completed Control Plans during PPAP approval. **Refer to the current AIAG APQP manual for further information regarding control plans and OEM Customer-specific Requirements.**

Control plans should include bypass/contingency processes with all 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**

Each shift, the supplier shall perform inspections as indicated in the control plan, including (but not limited to) product and process audits, in-process inspections, and final inspections. No changes or deviations shall be implemented without prior authorization from Fisher Dynamics. Quality checks shall be included in a standardized operator instruction or documented on an inspection form. All quality checks shall be recorded and the data retained by the supplier.

#### **4.05 Measurement System Analysis (MSA)**

The quality of measurement data produced by test equipment and gauges is important to determine process and product conformance. Prior to and after manufacture, all checking fixtures shall be submitted for review and approval by Fisher Dynamics using the External Checking Fixture Buyoff Form. All external checking fixtures shall be initially certified and calibrated by an ISO 17025 accredited lab. **All gauges utilized to verify Fisher products and components shall be verified/certified annually unless otherwise specified in writing, contractually.** The supplier shall establish a program for gauge control. This program shall include the following:

- List of gauges, measurement equipment, test equipment, and any other equipment listed in the control plan for verifying product/process conformance.
- Documentation of calibration for gauges, measurement, test equipment, and all equipment used to calibrate the same.
- Verification/calibration of error proofing devices (e.g. red rabbits, sensors, EOL test)
- Gauge repeatability and reproducibility (GR&R), completed using the ANOVA methodology (unless otherwise agreed to by the responsible Fisher Dynamics Quality Engineer in writing) for a variable gauge study. GR&R studies are required on all measuring devices and testing equipment identified in the control plan, per customer specific requirements, for PPAP approval. Family GR&R is acceptable when conducted in accordance with the AIAG Measurement Systems Analysis manual.

The acceptance criteria for gage repeatability and reproducibility (GR&R) in the ANOVA format, unless approved in writing by responsible Fisher Dynamics Quality Engineer, 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 is 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 – gauge needs improvement and should not be used to measure control plan characteristics; replace or improve gauge 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 gauge family with approval from the Fisher Dynamics' Facility Quality Manager. **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 and the SPC shall align with the control plan. Use of control charts, preferably variable, is the statistical control method recommended to analyze process variation. Suppliers shall create a plan to utilize control chart data to reduce process variation and maintain process control. (Note: designated special characteristics may not need to be statistically monitored if agreed upon with Fisher Dynamics' responsible Quality Engineer in writing).

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 released prints shall be evaluated, excluding reference and basic dimensions. Unless otherwise specified, non-critical characteristics require a CPK of 1 and all IPFs require a CPK of 1.67. If the process is not capable to the required CPK, then 100% control shall be implemented to prevent the receipt of non-conforming material. 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 Packaging/Lot Size/Standard Pack**

The Fisher Dynamics Packaging Data Form shall be completed and submitted for approval for any new part or part packaging change. Packaging review is not complete until the Packaging Data Form has the proper approval signatures, and uploaded in PPAP.

All containers/pallets shall be statically stackable, at a minimum two high, unless otherwise agreed to in writing.

VCI bags are required for all metallic parts shipping into Fisher Dynamics' Mexico Facility, unless otherwise specified and/or agreed to in writing.

Standard Pack quantity and packaging proposal shall be included in quote responses. Standard pack quantities determine the weekly releases, and are the supplier's responsibility to verify for accuracy.

#### **4.08 Labelling/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 containment of parts and/or raw material. The supplier shall establish and maintain documented information for identifying the product during all stages of production (e.g. work-in-process

(WIP), rework/repair, storage, and delivery). A supplier lot number shall be assigned to each production lot.

The supplier labelling shall meet the following conditions:

- Labeling to be an AIAG B10 Barcode Label containing the following information (ref Appendix B for Label format):
  - The Fisher Dynamics' part number and current revision level (with barcode)
  - Quantity (with barcode)
  - Part description
  - Purchase order number (with barcode)
  - Supplier lot number (with barcode)
  - Serial number including Fisher Dynamics' supplier code (with barcode)
  - Ship from location
  - Manufacturing date
- Spacing that follows Code 39
- Field Prefixes Encoded into Barcodes as Indicated in Parenthesis (e.g. P, Q, K, S, 1T)
- Submit a sample label for test/scan
- Submit and have an approved Fisher Dynamics' Barcode Data Form

The supplier lot traceability shall provide for the following conditions:

- The lot number shall be traceable throughout the supplier's system to include supplier heat/lot code, material certifications, production, and quality records.
- Supplier finished product lot number(s) shall be traceable to specific container serial numbers as shipped to Fisher Dynamics.
- Master Ship Containers shall contain no more than 1 specific part number, and labelled as such.
- Containers are to be processed container-to-container unless otherwise directed.
- Products with safety and /or regulatory requirements shall be identified and traceable as required.

#### **4.09 Capacity Planning and Run-At-Rate**

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 Fisher Dynamics Run-at-Rate Workbook, and are required and take into account all SDC (Supplier Daily Capacity, annual quoted volume divided by 235) and MCR (Maximum Capacity Rate, SDC + 15%, allowing for Saturday Run) requirements to meet the OEM standard, to include other parts made with shared equipment. Fisher Dynamics requires no more than 90% utilization at 24 hours per day, 5 days per week, and 47 weeks per year (235 days/year total), to meet SDC requirements. Fisher Dynamics' Purchasing and/or Supplier Quality shall, at their option, visit the supplier facility to witness the Run-at-Rate.

#### **5.00 QUALITY AND PRODUCTION PART APPROVAL PROCESS (PPAP)**

All PPAP submissions shall adhere to all Fisher Dynamics' standards, Customer Specifications, FMVSS standards, and follow the AIAG PPAP standards, guidelines,

requirements, and forms. PPAP is an automotive standard requirement, and will incur no additional charges to Fisher Dynamics for completion. All PPAPs shall be completed electronically in PLEX. Prior to shipment of any production parts, supplier shall have obtained PPAP approval in PLEX for that part and revision from Fisher Dynamics' Quality representative. Unless otherwise specified, the default PPAP submission level is Level 3.

The supplier is required to complete two sections ("Supplier Results" and "PLEX PPAP Checklist"), prior to submission of the PPAP in PLEX. The "Supplier Results" section completes the information for the electronic PSW. The "PLEX PPAP Checklist" lists the documents that are required for PPAP approval, and provides specific line items for the uploading of documents. All items on the PLEX PPAP checklist attached in PLEX shall be uploaded per the individual line item note requirements. Any questions or requested exceptions shall be directed to the Fisher Dynamics' Quality representative designated in the PPAP. Suppliers are responsible for reviewing PLEX and following up with the Fisher Dynamics' Quality Representative PPAP designee to ensure PPAPs are fully approved and open items addressed prior to the PPAP due date indicated in the PLEX PPAP.

For any PPAP submission that does not meet the requirements for a complete, correct, and full submission, a Fisher Dynamics' Interim Recovery Worksheet (FD1411) shall be completed and included with the submission. The FD1411 form shall detail, individually, the items that do not meet the requirements, and provide an action plan with timing to meet the requirements. The supplier representatives shall sign the FD1411 prior to submission. Upon acceptance and approval, Fisher Dynamics' personnel shall sign the FD1411 form and approve the PPAP to an interim status. Interim PPAP approval with FD1411 forms shall include an expiration/closure date that is representative of the shortest reasonable time necessary to meet the requirements. Unsigned forms are invalid. Electronic signatures are acceptable by using type in names and dates combined with direct e-mail receipt history.

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 the PPAP due date or expiration of any interim approval. If a PPAP rejection affects the supplier's ability to ship product on time per Fisher Dynamics' releases, the concern shall be brought immediately to the attention of the Fisher Dynamics' Buyer and affected Fisher Dynamics' plant material teams.

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 shall be immediately brought to the attention of the Fisher Dynamics' Buyer.

**For all directed suppliers, the supplier shall submit the following:**

- Responsible Minerals Sourcing Reporting (uploaded to the supplier's certifications in PLEX)
- Quality, Environmental Certifications, and Laboratory Accreditations (as applicable, uploaded to the supplier's certifications in PLEX).
- IMDS submitted to each receiving facility
- Digital PSW created in PLEX to Fisher Dynamics
- A signed PSW/OEM evidence of PPAP approval from the OEM/Directing Customer
- A Part number cross reference matrix
- Minimum 6 piece dimensional results by line/cavity/tool with ballooned drawing

- PPAP Interim Recovery Worksheet (FD1411) for any out of specification dimensional result or missing information, and the signed deviation from the OEM/Customer or evidence of approval at a non-full status.

**For all FD selected suppliers, unless otherwise specified by Fisher Dynamics in writing:**

Dimensional layouts are required on a minimum of six (6) parts per cavity/line/tool/etc. These samples shall be selected randomly from a minimum PPAP production run of 300 parts. All dimensions shall be ballooned on a ballooned print and measured for dimensional layout. All Dimensional reports shall be presented in the AIAG format, align to the ballooned print call outs and numbers, and include a CMM Roadmap of where the points were taken. All parts measured shall be labelled and identified to correlate the specific part to the data in the dimensional report.

For each PPAP with dimensional requirements, 3 of the labelled and measured parts shall be submitted to the Fisher Dynamics' Quality Representative for retention as Master Samples. The supplier shall retain a minimum 1 of the labelled and measured parts as a Master Sample.

A minimum 30-piece variable data capability study (including Cp/Cpk, Pp/Ppk per AIAG PPAP and SPC manuals), or 300-piece attribute study shall be completed for any new products, dimensional changes, process changes, or annual requirement. Capability studies shall be completed for every tool/cavity/line/etc. individually and include any pass-through characteristics (features not added, removed or changed in the supplier process). Unless otherwise specified in requirements, the capability study shall show a minimum Cpk of 1.67 for any and all IPF dimensions. For non-IPF features, a minimum Cpk of 1 is required, unless otherwise specified.

All product-testing specifications (e.g. chemical, physical, mechanical, metallurgical, environmental life testing, flammability) stated on Fisher Dynamics' drawings or referenced in standards shall be conducted by a qualified laboratory and submitted with the PPAP. To be qualified, an outsourced laboratory shall be accredited to ISO 17025 and an internal laboratory shall be ISO-9001 or IATF 16949 certified. The lab scope shall be included the performed test(s). 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. The requirements on the print / standard shall match exactly what is being tested or purchased. No substitutions shall be considered authorized without Fisher Dynamics' Engineering approval in writing. Heat Treat sources shall include a microstructure analysis/report with each PPAP package.

Suppliers of components or assemblies with components covered under the FMVSS302 regulation (Federal Motor Vehicle Safety Standard for Flammability of Interior Materials) shall annually include a letter of compliance/report along with each PPAP package showing the material passed this requirement. The test report shall include the specification requirement along with the certified ISO 17025 laboratory certificate and lab scope. The Supplier shall also calculate and supply the  $B_{max}$  and  $B_{stat}$  values when reporting flammability. The Supplier shall provide the individual sample results as well as the final values for the tests. All calculations for burn rate and flammability shall be done as well as the calculations for  $B_{stat}$  and  $B_{max}$ .  $B_{max}$  is the maximum burn rate of any individual sample.  $B_{stat}$  is the statistical burn rate which is found by taking the mean value for the burn rate tests and adding 3 sample standard deviations to it.

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, shall 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.

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. The current count of number of die strokes on any tools shall be included as part of the PPAP package under Customer Specific Requirements.

Component part suppliers shall request Process Flow Diagrams, PFMEAs, 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 complete annual PPAP's and retain all documentation. The minimum requirements are as follows:

- Level 4 completed PSW
- Dimensional study
- Capability Study
- Gauge R&Rs
- Performance Documentation/Annual Validation Data (including FMVSS302)
- Latest Material Cert
- Latest process documentation (e.g. Process Flow, PFMEA, Control Plan, Layered Process Audits)
- Sub-supplier product validation/testing (e.g. hardness, coatings, plating, welding, flammability)

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.

**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 shall comply with all local, state, and federal laws and safety regulations regarding the use of restricted, hazardous, toxic substances, and European End of Life of Vehicle (ELV) as applicable. IMDS shall be submitted using the Fisher Dynamics' part number to each ship to location. These shall be submitted online to the IMDS website at [www.mdssystem.com](http://www.mdssystem.com). All PPAP submissions shall have the IMDS submitted and approved **prior** 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.

<b><u>Company Name in IMDS</u></b>	<b><u>Fisher Dynamics Location(s) Represented</u></b>	<b><u>Company ID Number</u></b>
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	176072

**6.00 OTHER QUALITY REQUIREMENTS**

In addition to the requirements for APQP and PPAP, Fisher Dynamics identifies the following quality requirements that encompass miscellaneous requirements, limited use, or special case scenarios.

**6.01 Deviations**

Deviations for the shipment of non-conforming product may be requested and granted on a case-by-case basis. If a supplier wishes request a deviation, they shall complete a Supplier Deviation Authorization Request form and submit it to Fisher Dynamics, along with all supporting data and information. All approved deviations shall have an expiration of date, parts, or lots. All material arriving under an approved deviation shall be tagged with an appropriate caution label on all sides. Rejection of a deviation does not relieve the supplier of any and all obligations regarding the supply of conforming product.

**6.02 Launch Excellence (Pre-Launch Containment)**

Launch excellence protocols shall be in place for the initiation of any new production component or features. Launch excellence requires an enhanced control plan with end of line inspection 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 requires the written approval by the Fisher Dynamics' Quality Engineer.

**6.03 Process Audits**

Special Process Assessments: For any supplier or sub supplier that utilizes a manufacturing process covered by an AIAG Continuous Quality Improvement (CQI), Fisher Dynamics requires the corresponding CQI be completed by the supplier, and that the minimum requirements are met. CQI assessments to the latest released revision shall be completed annually and in excel. The annual CQI assessment shall be due one year from the prior submission, and shall be submitted as a supplier certification in PLEX. All non-conformances shall be closed within 90 days to maintain their compliance. The assessments can be purchased at [www.aiag.org](http://www.aiag.org).

CQI-9 Heat-Treat System Assessment	CQI-11 Plating System Assessment
CQI-12 Coating System Assessment	CQI-15 Weld System Assessment
CQI-17 Soldering System Assessment	CQI-23 Molding System Assessment
CQI-27 Casting System Assessment	

Layered Process Audits (LPA): 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:

- A schedule including frequency of audits and locations of planned audits.



- Audit layers used including different levels of employees in addition to top management.
- Process where customer complaints or rejections trigger a layered audit on the process that was cause of the issue.
- All processes within the organization to be included.
- All findings to be recorded and measured for improvement.
- Findings that cannot be corrected during the audit shall move to an action plan for monitoring to closure.
- Maintenance of audit records
- Questions to be reviewed periodically and updated to focus on customer and/or internal concerns. (Should be a living document)

**Note:** Additional audits may be requested, as required by the end customer

#### **6.04 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:

These records shall be maintained 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' Supplier Quality Manager in writing:

- All purchase orders and amendments
- Engineering change/version control – including external records
- PPAP packages, and all related information
- Tooling records for engineering changes, maintenance and runtime
- Maintenance records for all equipment
- Product and material traceability
- Engineering and inspection records providing evidence of conformity to requirements
- All safety inspection records and laboratory results, including calibration records

The following records shall be maintained for the length of time specified for each item, unless otherwise specified by Fisher Dynamics' Supplier Quality Manager in writing:

- Maintain corrective/preventative actions to problem reports (8Ds) for three years.
- Retain records of internal quality system audits and management review for three years.
- Production inspection and non-safety test records for three years.
- Document retention, storage, protection, and preservation (including legibility preservation) protocol shall be retrievable upon request and disposed of per the supplier policy.

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

#### **6.05 Preservation, and Post-delivery Activities**

The supplier shall preserve the product and service provided through identification, handling, contamination control, packaging, storage requirements, shipping, labeling requirements, and, as specified by the standard of certification, OEM/customer-specific, legal and statutory

requirements. The supplier shall 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 shall 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.
- Fisher Dynamics requires incoming parts/raw material to be rust free for a minimum of 30 days after receipt by Fisher Dynamics.
- Supplier shall implement an inventory management system stock rotation; such as, first-in-first-out (FIFO).

#### **6.06 Finishing Processes Quality Requirements**

Suppliers of finishing processes (e.g. heat treating, coating, plating) shall submit material or process certifications of compliance with every shipment. This may be included with the shipping documentation or e-mailed to the materials department for the receiving Fisher Dynamics' facility. The certification shall include the required specification with the results.

#### **6.07 Die Sources/Stamping Sources Using 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 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 shall be included with the parts in order for Fisher Dynamics' receiving to accept these parts.

Any unused raw material shipped back to Fisher Dynamics shall also include a copy of the material barcode to be accepted. Supplier is required to maintain records of lot traceability. If container or any 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.

#### **7.00 PROBLEM REPORTS**

There are two types of Problem Reports issued to suppliers:

1. Problem Report (PR) – Fisher Dynamics' quality representative may create a Supplier Problem Report form in PLEX for any suspected QUALITY issue. Upon initiation, PLEX will automatically notify the supplier's primary contact and anyone directly added to the issue via e-mail\*.
2. Delivery Problem Reports (DPR) – Fisher Dynamics' materials representative may create a Supplier Delivery Problem Report form in PLEX for any DELIVERY issues (e.g. Delivery not on-time, packaging, labelling, ASNs, over/under shipment). Upon initiation, PLEX will

automatically notify the supplier's primary contact and anyone directly added to the issue via e-mail\*.

\*NOTE: Per section 2.01, suppliers are required to ensure that their contact information is complete, correct, and current in PLEX to enable clear communication between Fisher Dynamics and its supply base. Fisher Dynamics is not responsible for any PLEX automatic notification that is not received by the supplier.

For any supplier issue found at Fisher Dynamics, the supplier is required to respond and acknowledge the issue as soon as possible upon notification by the Fisher Dynamics' Quality department. Suppliers who are focused on customer service and partnership should respond within 1 hour of notification. Suppliers are responsible for reviewing PLEX and following up with the Fisher Dynamics' Problem Report Champion to ensure clear understanding of the issue. Suppliers shall be afforded the opportunity to review samples of the suspected quality issue on-site. Suppliers may obtain samples for review outside of Fisher facilities at their expense.

Suppliers shall complete and submit an initial response to the PLEX Problem Report within 24 hours of the Problem Report initiation. The initial response shall include the following:

- Containment Action
- Quality Alert with images of conforming and non-conforming material
- Timing and Status of supply of certified replacement stock
- Sorting or rework/repair plans

Disposition of the non-conforming material is required within 72 hours of the initial quality incident initiation.

Suppliers are required to complete and submit the Problem Report through PLEX within 30 days, unless approved by the Fisher Dynamics' quality representative and the due date is updated in PLEX. The completed Problem Report shall contain the following:

- Results of any interim activity (e.g. containment, sort, rework, repair)
- Detailed root cause analysis supported by analytical tools (e.g. 5-Why, Fishbone)
- Implementation of Permanent Corrective Action(s) (PCA)
- Verified Effectiveness of all corrective action(s)
- Snippets of the completed updates on process documentation (e.g. PFMEA, Control Plan)
- Evidence of Read Across to any similar products and processes

Upon the initiation of the Problem Report, the supplier has the opportunity to review the information and dispute the issue in the PLEX system. If disputed, a discussion shall occur with the issue champion, the supporting documentation reviewed, and (through concurrence or the preponderance of data) the issue shall be dispositioned. The act of disputing an issue does not relieve the supplier of any obligation to the above requirements, or any related impacts of the issue.

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.

**7.01 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.

**7.02 Line Accumulations**

Any non-conforming product (or suspected non-conforming product not reviewed by the supplier representative) that remain at a Fisher Dynamics' facility for more than 1 week may be subject to scrap at the supplier's expense unless other arrangements are made with the supplier.

**7.03 Fisher Dynamics' Containment Levels**

For any supplier quality issues, Fisher Dynamics' may require on-site containment to ensure no line interruptions. Supplier containment shall continue for a minimum of three (3) shipments after corrective action implementation to verify effectiveness of the corrective actions. The containment plan shall cascade to any sub-tier supplier, if applicable to the issue found. The steps for implementing containment are as follows:

1. Create a containment plan that includes the following:
  - A written sort procedure that details the method for sorting, the definition of a non-conformance (criteria), and the color and location of the certification witness marks placed on the part.
  - Tools and equipment required for the containment (e.g. gauges, paint pens)
  - Any required personal protective equipment (e.g. safety glasses, work gloves)
  - Review and approval of containment plan by Fisher Quality representative
2. Contact a Fisher Dynamics' approved sorting company for the specific location
  - The supplier shall provide the approved 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 a negotiated rate between Fisher Dynamics and the approved sort company and is not subject to negotiation
  - Upon certifying enough material in house for production, the supplier may negotiate a swap of stock with the Materials department at the respective Fisher Dynamics' plant

Chosen sorting company shall be from the Fisher Dynamics' approved-sorting list.  
Located in PLEX Supplier Portal (ref 2.01)

Fisher may also implement controlled shipping at the supplier site for quality issues. Controlled shipping is implemented in two levels.

**A. Controlled Shipping Level 1-CS/**

Reasons for the imposition of CSI include, but are not limited to, the following:

- A repeat issue on the same part within one calendar year
- Two or more separate issues on an individual part within three months
- A non-conformance resulting in the cessation of production in excess of 1 hour
- A non-conformance that results in a Fisher Dynamics' customer rejection
- The failure by a supplier to implement containment within a three hour time frame of being notified
- 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)
- Failed containment from a known issue

**When a supplier is placed in CSI by Fisher Dynamics, the following procedures shall be adhered to:**

- Within 1 hour of being notified, containment shall be implemented to ensure uninterrupted production activity.
- The Fisher Dynamics' quality department will issue a CSI letter to the quality manager of the respective supplier.
- After receiving the CSI letter, the supplier shall respond within 24 hours with the Controlled Shipping Confirmation Reply available in the PLEX supplier portal.
- 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.
- The supplier shall submit the CSI containment plan to the issuing quality representative prior to making any additional shipments; the plan shall include the method for inspection and the color and placement of the CSI markings.
- For the duration of CSI, the supplier shall submit the results from their CSI weekly, using the Controlled Shipping I-Chart sheet (available in the PLEX Supplier Portal), to the Fisher Dynamics' Quality representative that imposed the CSI.
- 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 in writing by Fisher Dynamics' SQE/SQM. Approval requires the following:
  - Supplier has 30 days with no non-conformance findings **after implementation of permanent irreversible corrective action** at CSI or Fisher Dynamics' facilities
  - Supplier completes and submits the Fisher Dynamics' Controlled Shipping Exit Checksheet to the responsible SQE
  - All relevant and required data, evidence, and documentation is submitted
  - On-site verification of corrective actions by Fisher Dynamics or representative, at Fisher Dynamics' discretion

B. Controlled Shipping Level 2-CSI

Reasons for the imposition of CSII include, but are not limited to, the following:

- Failure of CSI to prevent non-conforming product from reaching Fisher Dynamics
- Multitude of concurrent quality issues third party.
- A non-conformance of a product that is a critical safety issue (determined at the discretion of the Fisher Dynamics' Quality manager and Fisher Dynamics' Purchasing)

When a supplier is placed in CSII by Fisher Dynamics, the following procedures shall be adhered to:

- If the supplier is not currently on CSI, then CSI shall be immediately implemented with all above requirements.
- The Fisher Dynamics' quality department will issue a CSII letter to the quality manager of the respective supplier.
- After receiving the CSII letter, the supplier shall respond within 24 hours with the Controlled Shipping Confirmation Reply available in the PLEX supplier portal.
- CSII requires that the supplier initiate a 100% inspection over and above CSI
- CSII shall require the use of a third party selected from the list of Fisher Dynamics' approved suppliers
- The supplier shall follow all requirements for initial containment outlined above
- The supplier shall rewrite the CSI procedure to prevent defect escapes, detail the CSII procedure, and submit both to the Fisher Dynamics' Quality representative prior to the next supplier shipment
- The CSII procedure shall include the name of the third party who will be certifying the material
- For the duration of CSII, the supplier shall submit the results from their CSII weekly, using the Controlled Shipping I-Chart sheet (available in the PLEX Supplier Portal), to the Fisher Dynamics' Quality representative that imposed the CSII.
- CSII remains in effect until release is approved in writing by Fisher Dynamics' QM/SQM/Quality Director. Approval requires the following:
  - Supplier has 30 days with no non-conformance findings **after implementation of permanent irreversible corrective action** at CSII or Fisher Dynamics' facilities
  - Supplier completes and submits the Fisher Dynamics' Controlled Shipping Exit Checksheet to the responsible SQE
  - All relevant and required data, evidence, and documentation is submitted
  - On-site verification of corrective actions by Fisher Dynamics or representative, at Fisher Dynamics' discretion
- 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 PLEX Supplier Portal (ref 2.01)***

#### **7.04 Cost Recoveries**

A supplier's defective part may cause sorting, scrap, or customer returns and the costs incurred by Fisher Dynamics shall be charged back to the supplier. 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 may be charged back to the supplier:

- Administrative charge of \$500 for each PR issued to cover the collection of data, review of corrective actions, support, co-ordination, and documentation of the quality incident/spill.
- Late or non-responsiveness to initiated Problem Reports by 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 Dynamics.
- Costs of 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 (e.g. salaried labor, gauges, customer returns, scrap, down time)
- 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 costs/fees for Fisher Dynamics and/or Fisher Dynamics' end customer (typically: the cost per employee per minute \* the number of employees on the line \* number of minutes of downtime).
- 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 gauges
- Engineering, Quality, or Administrative support
- Warranty costs from Fisher Dynamics' customers

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 or appeal to arbitration by the Fisher Dynamics' corporate SQE for all Fisher Dynamics' plants as needed. 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.

### **7.05 Rework/Repair**

*Rework – Bringing a non-conforming part back into conformance by simply reprocessing a prior sequence.*

*Repair – 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 shall provide for inspection of reworked/repaired products in accordance with the control plan and/or Fisher Dynamics' specifications. Procedures shall be submitted to the Fisher Dynamics' Quality representative for approval prior to implementation. Reworked/repaired material that is shipped to Fisher Dynamics shall be clearly labeled with an appropriate caution label on all sides, as provided in appendix A (and in the PLEX Supplier Portal), with the associated Problem Report # visible on the label (if applicable).

#### **7.06 Supplier On-Site Problem Report Out**

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 is required to participate in the reviews. Reviews will be held as required and suppliers shall appear in person at Fisher Dynamics. The required notification will go to the supplier's Plant Manager, Quality Manager and Sales contact as listed under Contacts in PLEX. Supplier representatives at these meetings shall 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.

#### **8.00 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' approved subcontractors when so directed by Fisher Dynamics' Purchasing.

#### **8.01 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 shall adhere to the aforementioned Fisher Dynamics' environmental and safety policies. (Ref.: Contractor EHS Method Statement Briefing Packet\_FC-ENV-FM-8.1-2-a) 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 shall take every possible action to mitigate the cost effect of tariffs immediately and continue to report its progress to Fisher Dynamics.

#### **8.02 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, shall 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 shall include piece price, tooling, gauges, 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.

### **8.03 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 [www.adobe.com](http://www.adobe.com). Other file formats including CAD data, may also be sent on occasion or at the supplier's request.

### **8.04 Supplier User ID – PLEX Access**

See section 2.01

### **8.05 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.

### **8.06 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.

### **8.07 Restricted, Hazardous, and Toxic Substances**

Fisher Dynamics' suppliers shall comply with all local, state, and federal laws and safety regulations regarding the use of restricted, toxic, and hazardous substances. Per ISO-14001, suppliers shall 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.

### **8.08 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 [apinvoices@fisherco.com](mailto:apinvoices@fisherco.com). Fisher Dynamics 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 shall continue to be sent to [apinvoices@fisherco.com](mailto:apinvoices@fisherco.com) (e.g. 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.

### **8.09 Payment Terms**

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

The contractual purchase order shall reflect any deviations from the above payment terms, and shall be referred to for any questions.

### **8.10 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](#)

### **8.11 Payment for Production Parts**

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

### **8.12 Payment for Production Tooling**

The appropriate Fisher Dynamics' buyer will negotiate payment timing for tooling, which should match Fisher Dynamics' 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.

### **8.13 Tooling Timelines**

All suppliers shall 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 shall identify the steps and timing required to modify or build tooling, PPAP, and exhaust old inventories. **Timelines shall be updated and submitted to the Fisher Dynamics' Buyer and/or Program Manager weekly.** Timelines shall also be submitted for all process changes. 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.

#### **8.14 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.

#### **8.15 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 shall be taken of the tooling showing the attached tag, and the picture then shall be sent to the Buyer via e-mail prior to tooling invoice.

#### **8.16 Process Changes**

Fisher Dynamics shall 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 shall be followed. Failure to follow this process when considering changes may result in a \$5,000 charge in addition to any chargebacks associated with impacts to Fisher Dynamics and/or its customers. Other penalties may be imposed or requirements enacted on a case-by-case basis.

#### **8.17 Tooling Owned by Other 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 shall 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.

#### **8.18 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, new supplier, or has received a new certification; then the supplier should submit a copy of the certification, or evidence of Diversity Program by uploading the certification into PLEX portal for supplier certifications.

#### **8.19 Responsible Minerals Sourcing Reporting**

Fisher Dynamics requires its suppliers to be compliant with the Responsible Minerals Sourcing Reporting requirements as defined through the U.S. Securities and Exchange Commission rules. Reporting is required for the following:

- **Conflict Minerals Reporting Template (CMRT)**
  - **Tin, Tantalum, Tungsten, and Gold reporting**
  - **CMRT Template Link**

- Extended Minerals Reporting Template (EMRT)
  - Cobalt and Mica reporting
  - [EMRT Template Link](#)
- Any new material/mineral report required, not listed above

Suppliers shall report by completing, in excel and in English, the most current template and uploading it to the supplier certificates in the Fisher Dynamics' PCN of PLEX. If the Supplier report lists smelters/processors on the CMRT and/or EMRT a copy of the completed form shall also be sent to [conflict.minerals@fisherco.com](mailto:conflict.minerals@fisherco.com). For all Fisher Dynamics' suppliers, the annual update is due 1 year from the prior submission.

For additional information and training on how to complete the CMRT and EMRT please visit the Responsible Minerals Initiative's website.

## **8.20 Service Requirements**

Fisher Dynamics requires 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. Service parts shall be offered at production level pricing plus actual cost of service packaging, as quoted at EOP, for 5 years following program EOP. After this period, the pricing will be negotiated for special circumstances at the rate of the last Purchase Order plus difference in actual documented cost of manufacturing, subject to approval of Fisher Dynamics' customer. No tooling can be scrapped, altered, or moved without authorization from Fisher Dynamics' Purchasing.

## **8.21 Warranty**

Warranty terms for all received components shall use the OEM warranty terms applicable to the final assembly, and extend for the longer of 4 years or the OEM customer requirements, starting from the In-Use Date (the date of sale to ultimate end user). Suppliers are expected to identify a warranty contact person that have relevant knowledge of problem solving, as well as the process and products involved. Suppliers will have 30 days to dispute warranty claims from the date of creation of the associated cost recoveries. Any claims existing longer than 30 days are assumed to be uncontested and will not be reviewed further.

## **9.00 MATERIALS PLANNING & LOGISTICS (MP&L) REQUIREMENTS**

### **9.01 Part Number Nomenclature**

When a new blanket PO for a part is received and input into releases, all material handling related paperwork and processes shall be updated to reflect the part number as shown on the release. 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.

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 shall all be updated to match the part number as shown on the release (including the "-"), in this example 12345-02.

**9.02 Labeling**

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.

**9.03 Packaging**

All packaging shall be submitted for approval using the Packaging Data Form found on the PLEX Supplier Portal (ref 2.01). All packaging shall be quoted as part of the piece price unless otherwise instructed. Fisher Dynamics' returnable packaging that is damaged or contains foreign material shall be identified as such and returned to Fisher Dynamics. Suppliers are responsible for ensuring that containers are clean, free of water, free of contaminants, and in working condition 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 shall solely determine approval of 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 shall 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.

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

**9.05 PLEX Access**

See section 2.01.

**9.06 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 PLEX Supplier Portal (ref 2.01) and on the Fisher Dynamics' website at [www.fisherco.com](http://www.fisherco.com)

**9.07 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 shall be received by Fisher materials personnel by the earliest of 1 hour after shipment departure or receipt of the product at the Fisher receiving facility. 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.

### **9.08 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.

### **9.09 UCT (USMCA/CSUMA/T-MEC)**

All suppliers shall submit a UCT form covering each active component shipping to any Fisher Dynamics facility on/by January 1<sup>st</sup> to the Plex Supplier Certifications (ref 3.00). Expiration shall be January 15 of the following year. Failure to comply with this requirement may result in a Problem Report. (See section 7.00).

### **9.10 100% On-Time Delivery**

Fisher Dynamics requires 100% on-time delivery from its suppliers (ref Pyramids of Success, Section 10).

### **9.11 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 shall not ship new product to Fisher Dynamics (PPAP samples excluded) until it has fulfilled its build-out requirement. The supplier shall 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 shall 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 shall ensure there is a complete understanding of the engineering change (to include any impacts to manpower, manufacturing method, manufacturing machines, or material), 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 shall 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).

### **9.12 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.

### **9.13 MMOG/LE (Material Management Operating Guidelines/Logistics Evaluation)**

Fisher Dynamics requires its suppliers utilize the MMOG/LE audit process found at [www.iaiq.org](http://www.iaiq.org). 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. This audit shall be loaded into the Plex portal under supplier certifications, with an expiration date of one (1) year from date of audit completion.

### **9.14 Safety Stock**

Fisher Dynamics requires its suppliers to maintain adequate safety stock for deliveries and production support. This safety stock shall be based on the contracted volume, and not the current release. Fisher recommends that suppliers have enough safety stock to cover the longer of two (2) days or 2x the delivery transit. (for ocean freight parts, use 2 weeks for safety stock).

**10.00 PYRAMIDS OF SUCCESS**

Fisher Dynamics' Purchasing measures the monthly performance of its supply base using the Pyramids of Success. This program rates supplier performance in three (3) categories:

- Quality – 40 pts
- Delivery – 30 pts
- Service – 30 pts

The information gathered from all plant locations are combined monthly to provide a total score of 100 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 month.

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 month shall submit corrective action plans to improve performance for the following month. Fisher Dynamics' Supplier Quality will review and monitor these plans to ensure improvement. Being a "struggling" or "failing" supplier may result in a new business hold, partial loss of business, or product resourcing.

**Quality – 40 Points Possible:**

Two components go into the Quality score totaling 40 possible points. The first is the Problem Report Severity per Million shipped, and the other is Rejected Parts per Million (RPPM). The Problem Report Severity per Million is based on a point system of 0, 1, 3, and 5 with 0 being a warning and 5 being a severe impact on production. The more issues that are reported the higher the summation of severities shall be when calculating the final pyramid score. The Rejected Parts per Million is based on the total summation of rejected parts over how many parts have been shipped to find the score for that pyramid. Both pyramids are out of 40 possible points and the supplier shall be awarded the points from the lowest scoring pyramid for their final Quality score.



**Delivery – 30 Possible Points:**

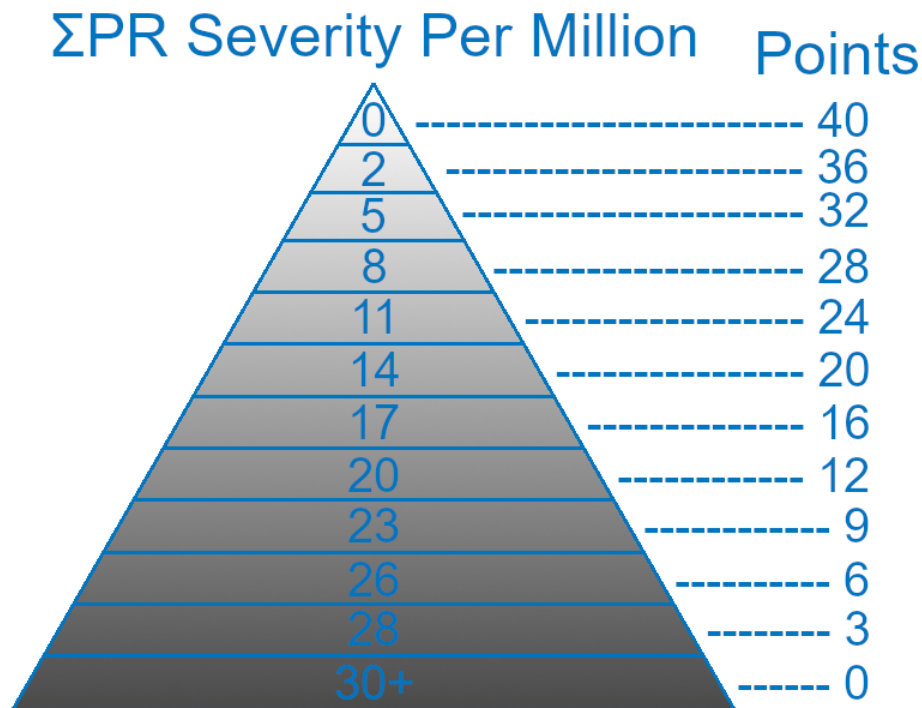
The Delivery pyramid consists of one component totaling 30 points. The Delivery Problems Report (DPR) Severity per Million parts shipped is what is factored in when calculating the final Delivery pyramid score. If Fisher Dynamics does not issue a DPR then the supplier shall not be penalized for that instance. The Delivery severity is again based on a score of 0, 1, 3, and 5 with 0 being a warning and 5 being a severe impact on production. Those severities are then all added together when calculating the final Delivery pyramid score.

**Service – 30 Points Possible:**

The Service pyramid consists of two components totaling 30 points. The first component is Late Documents, which consists of expired certifications, late PPAP submissions, and late PR responses. The other component of the Service pyramid is Serialized ASNs. All suppliers will start off with full points as not all suppliers are enabled, or are still in a test mode. Instances of not loaded or partially loaded Serialized ASNs shall be counted against the supplier thus docking points from the final score. The summation of the two pyramids is then calculated to result in the total Service score.

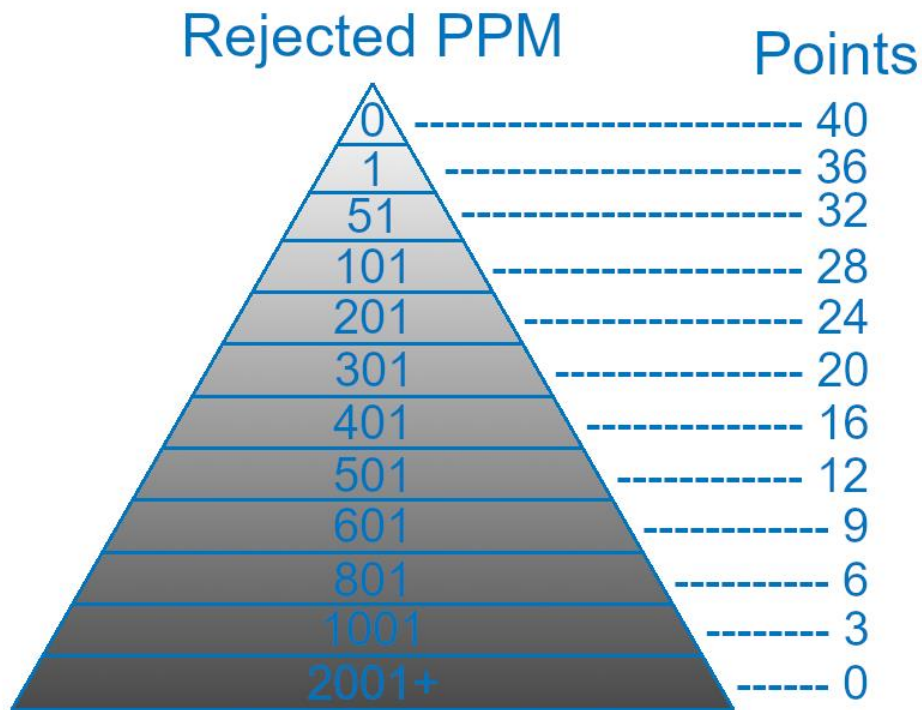
**Problem Reports Severity Pyramid:**

$$Score = \frac{\sum Problem\ Report\ Severity}{\#\ of\ Parts\ Received} \times 1,000,000$$



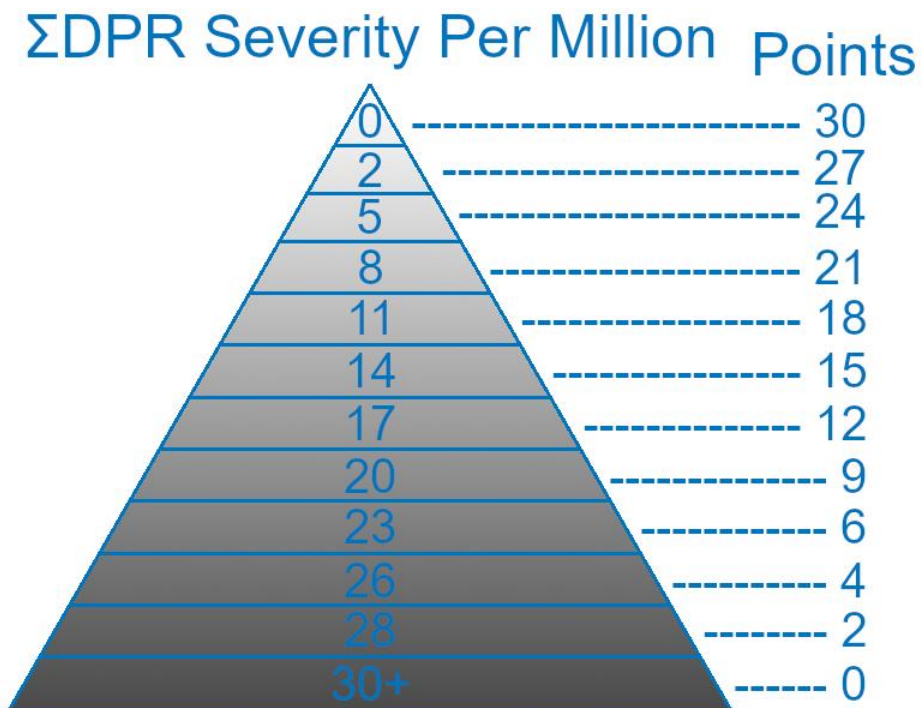
Rejected Parts Per Million Pyramid:

$$Score = \frac{\sum \text{Rejected Parts}}{\# \text{ of Parts Received}} \times 1,000,000$$



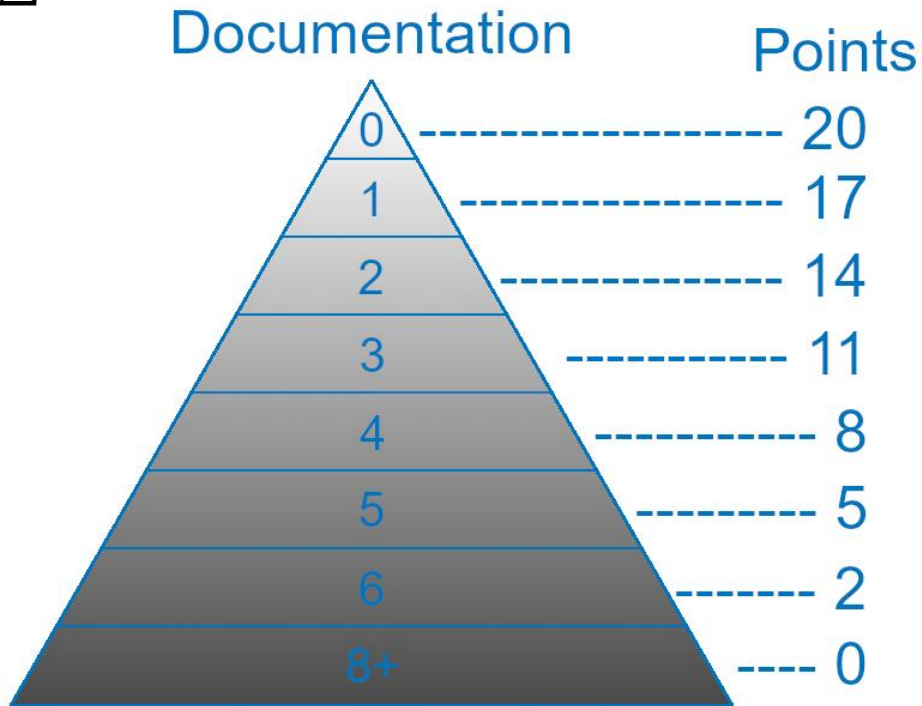
Delivery Problem Reports Severity Pyramid:

$$Score = \frac{\sum \text{Delivery Problem Report Severity}}{\# \text{ of Parts Received}} \times 1,000,000$$



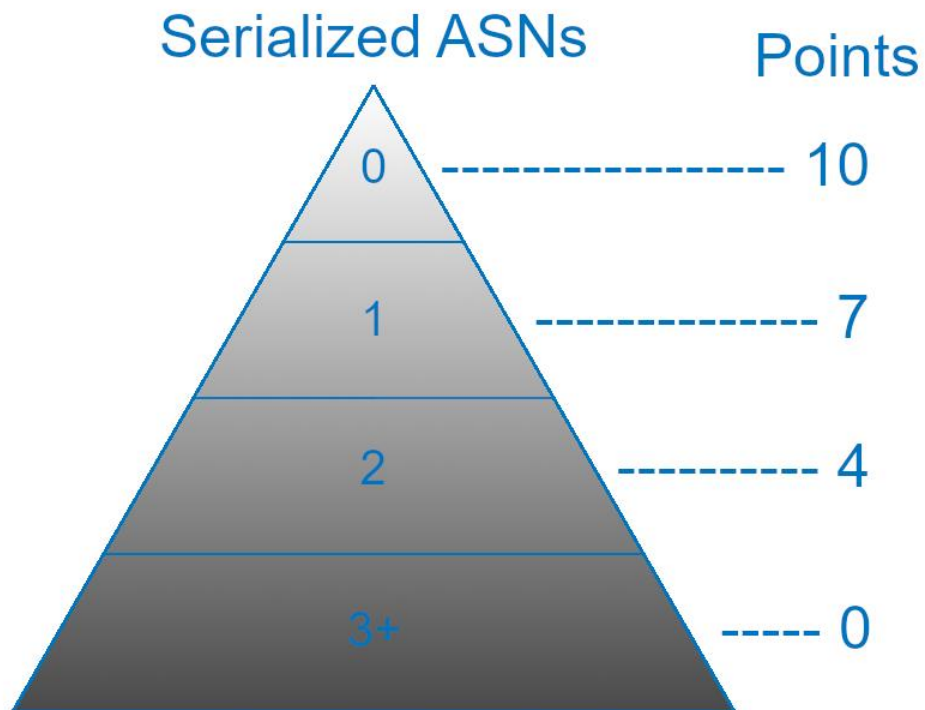
**Documentation Pyramid:**

$$Score = \sum (Late\ PPAP, Late\ PR\ Responses, Expired\ Certifications)$$



**Serialized ASN Pyramid:**


$$Score = \sum (Not\ Loaded\ ASN, Partially\ Loaded\ ASN)$$



**Future Changes to Pyramid of Success:**

<u>Implementation</u>	<u>Max Score</u>	<u>Frequency</u>	<u>Changes</u>
January 2021	115	Quarterly	New POS
July 2021	115	Monthly	Adjusted to Monthly
January 2022	110	Monthly	Service — 30 Max; ASN — 10
July 2022	105	Monthly	Delivery — 30 Max
January 2023	100	Monthly	Quality — 40 Max
TBD*	100	Monthly	Add 2 <sup>nd</sup> Pyramid for Delivery: On Time Delivery to Schedule; Low Watermark Protocol

**APPENDIX A – Supplier Caution Label**

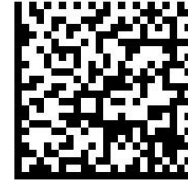
	<h2 style="margin: 0;">CAUTION LABEL</h2>	
<input type="checkbox"/> Engineering Change	<input type="checkbox"/> PTR/SBO # _____	
<input type="checkbox"/> New Part Number	<input type="checkbox"/> TCA # _____	
<input type="checkbox"/> EWO # _____	<input type="checkbox"/> PCA # _____	
<input type="checkbox"/> TWO # _____	<input type="checkbox"/> ECR # _____	
<b>Supplier:</b>	<b>Part Number:</b>	<b>Part Description:</b>
Coordinated Change <input type="checkbox"/>	Revision Level: _____	
Running Change <input type="checkbox"/>		
Description of Change:		

*Excel version of Supplier Caution Label available in the PLEX Supplier Portal (ref 2.01)*

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

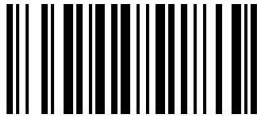
PART NO  
(P)

**56959 – 03**



QUANTITY  
(Q)

**350**



PART  
DESCRIPTION

**SIDE MEMBER  
BACKREST RH**

PO NO  
(K)

**SCS000098**



LOT NO /  
HEAT  
(1T)

**16020B**



SERIAL NO  
(S)

**SH1383808**



SHIP FROM  
FD METAL FORMING STERLING  
HEIGHTS

MFG DATE

**2020 JUN 09**

**APPENDIX C – Contingency plan requirements**

The organization shall:

1. 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; global or local pandemic
4. 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. **simulations, as appropriate**);
6. 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);

**Contingency** plans 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.