



windsor mold group

AUTOMOTIVE COMPONENTS DIVISION

Supplier Development Manual



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The WMG ACD Supplier Manual is maintained electronically and will be periodically reviewed and revised. The controlled copy of this Manual is posted on the WMG ACD website at: www.windsormoldgroup.com



Introduction

This manual was developed by the Windsor Mold Group to provide a guideline of how to become an approved supplier as well as to define the expectations of our suppliers.

The manual outlines operating and business standards of Windsor Mold Group ACD, including expectations of Supplier Quality, Supplier Performance, Engineering Involvement, Planning and Environmental System Managements.

It is the responsibility of the Supplier to refresh their records of this manual by checking the Windsor Mold Group website at: www.windsormoldgroup.com

This manual is in effect for the following Windsor Mold Group production facilities:

- Emrick Plastics, Division of Windsor Mold Inc. - Windsor, Ontario, Canada
- Precision Plastics, Division of Windsor Mold Inc. - Amherstburg, Ontario, Canada
- Windsor Mold Saline, Division of Windsor Mold USA Inc. - Saline, Michigan, USA
- Autoplas, Division of Windsor Mold USA Inc. - Bellevue, Ohio, USA
- Precision Automotive Plastics, Division of Windsor Mold USA Inc. - Bellevue, Ohio, USA
- Tenneplas, Division of Windsor Mold USA Inc. - Pulaski, Tennessee, USA
- Mexiplas, Division of Windsor Mold S.A. de C.V. - Queretaro, Mexico



Corporate Policies

Quality Policy

It is the goal of the Automotive Components Division of the Windsor Mold Group to provide our customers with the best products and services. We regard our employees as the source of our success and encourage participation. We will endeavour to continuously improve our production and systems, emphasizing defect prevention and reduction of waste. We are committed to the pursuit of excellence in all areas of our business.

Environmental Policy

The Automotive Components Division of the Windsor Mold Group (Emrick Plastics, Precision Plastics, Windsor Mold Saline, Autoplas, Precision Automotive Plastics, Tenneplas and Mexiplas) provides products and services involving plastics applications to automotive manufacturers and their suppliers.

Our basic principles are:

To produce product without causing unacceptable harmful ecological impact either now or in the future through:

- The reduction of waste through leaner manufacturing processes
- The prevention of pollution
- Compliance with all applicable government legislation and regulations
- Employee involvement and training throughout our business process
- Progress toward our principles, objectives and targets is measured and reviewed through our Management Review Process

Health & Safety Policy

WMG is committed to provide and maintain a clean, organized, safe and healthy workplace for all of our employees in all of our facilities, as well as to provide protection for visitors and contractors who enter our plants. As a result, our policy objectives consist of the following:

- Each plant will integrate Health & Safety into all activities and operations.
- Each plant will be in compliance with applicable legislation and regulations thereto.
- It is the responsibility of all management and employees to act in compliance with such legislation, as well as Health & Safety policies and procedures governing each workplace.
- It is the responsibility of employees supervising visitors and/or contractors in our plants to see that each such visitor and/or contractor is aware that they must comply with all Health & Safety Policies and Procedures applicable to them.
- Through the operation of a Joint Health & Safety Committee, periodic workplace inspections will be conducted and appropriate actions will be taken resulting from such workplace inspections.
- It is the responsibility of all workers to familiarize themselves with Health & Safety rules, and report deficiencies to their supervisor. In turn, it is the responsibility of the supervisor to follow up such reports to ensure that the Company responds in a timely and effective manner to them.

Supplier Development Requirements

General Supplier

Windsor Mold Group preferred language is English.

All resin suppliers must be ISO9001 certified at a minimum.

WMG ACD strongly encourage all component suppliers to obtain IATF16949 certification.

A Supplier System 2nd Party Audit may be required at the frequency and discretion (as required) of the Divisional Supply Chain Manager and / or ACD Quality Manager.

Gauge calibration suppliers must be an accredited laboratory with ISO17025 certification. We encourage our suppliers to develop an environmental system such as ISO:14001.

The OEMs are mandating that their suppliers account for prohibited, restricted and reportable substances used in production parts and provide the material information for resin or components to the WMG IMDS (International Material Data System) plant specific site. Per Ford Customer Specific Requirements, all supplier and sub-suppliers to Ford Motor Company, where applicable, shall include international requirements for export vehicles per Ford Specification WSS-M99P9999-A1.

WMG requests any supporting documentation that shows supplier involvement to diversity business programs. MMBDC (Michigan Minority Business Development Council) or NMSDC (National Minority Supplier Development Council) as well as any other state or local economic community organizations.

2012 U.S. legislation requires that manufacturers who file certain reports with the U.S. Securities and Exchange Commission (SEC) must disclose any Conflict Minerals that come from sources that support or fund inhumane treatment from the Democratic Republic of the Congo (DRC) or any adjoining countries. WMG requires annual information regarding the use of conflict minerals in the supply chain. Additional information can be found at:

<http://www.conflictreesourcing.org> or <http://www.aiag.org>

An annual Materials Management Operations Guideline (MMOG) is to be completed and submitted by the supplier. Any supplier not complying to this requirement for annual update may be removed from the approved supplier list at the discretion of the WMG Divisional Supply Chain Manager.

The Automotive Industry Action Group (AIAG) has published manuals that standardize procedures, reporting formats and other technical information required by the OEM Customers. Suppliers are expected to stay up to date on all these standards. These standards are APQP, FMEA, SPC, PPAP, MSA, MMOG/LE and all CQI System Assessments related to a suppliers manufacturing processes. Copies are available to be ordered from AIAG.

A Supplier Contact Information document must be filled out and submitted. Any change to key contacts or information will require an update to be provided.

Supplier's APQP Team will support WMG as required during development through life of production program.

Supplier's input for design "error proofing" and your production process "mistake proofing" can be reviewed with WMG ACD during development.

Suppliers are required to be EDI capable and have access to the internet.

Windsor Mold Group suppliers must be able to continue to provide service parts from production intent tooling (where applicable) for 15 years post vehicle build out. All pricing is to remain fixed at production level pricing for up to 5 years after production volumes have reduced. Any changes will be negotiated on a case by case basis as will all set up charges that are required. It is the responsibility of the supplier to maintain all production tooling so that service parts are received with the same quality criteria that was signed off during launch.



Packaging

Packaging requirements shall be detailed on the packaging specification form.

- Packaging must be approved prior to first shipment. Approval is required by mutual decision on packaging type (i.e.; returnable, expendable), carton size, carton quantity, and pallet quantity
- All expendable packaging material should be recyclable

Returnable Packaging

- All returnable packaging shall be designed and agreed to in advance via team analysis
- The supplier shall be responsible to maintain the cleanliness of all returnable containers - this requirement shall extend to removing all prior container labels and any dunnage (if applicable)
- The supplier is responsible for costs incurred for repair and replacement of returnable packaging
- Financing of returnable packaging will comply to mutually agreed upon terms determined by a team analysis

Pallets

All pallets must meet the following specifications:

- All purchasers and users of wood packaging material (pallets, boxes and crates must remain up-to-date concerning the implementation of the ISPM-15 standard
- Must be banded and/or stretch wrapped
- Boxes must fit on pallet, without any overhang. Also, pallet height limit is 48", unless otherwise authorized
- "Do Not Stack" label affixed, if applicable
- Pallets must be 4-way entry
- Pallets can be mixed with like parts, only if less than skid quantity is required. Otherwise, all cartons for the same part number must be on same skid(s)
- Parts should be palletized by program and by part number
- Do not mix RH/LH, front/rear or programs together, unless otherwise authorized. Each "program" or "hand" could go to different areas
- Where feasible we will order in full pallet quantities
- Pallet information must be included on the packaging specification form

Container Labels

Each container must have two AIAG bar-coded labels. This also includes any items not in cartons such as rolls, bundles, drums, etc. The labels must be affixed to the upper RH corner of at least two adjacent sides of each container. If the container is returnable, the supplier shall ensure that old labels are removed and replaced on the returnable. The supplier shall also be responsible for all maintenance and logistical tracking of the returnable.

The label will include, at a minimum, the following information:

- WMG IPN number with revision level (if applicable)
- Description - the description must exactly match the call-out on the purchase order and releases
- Quantity - the quantity must be as per WMG ACD standard unit of measure
- Unit of measure (UOM)
- Lot Number / Batch (traceability system)
- A sample WMG ACD component/WIP label is attached for your reference. The attached format must be adhered to unless WMG ACD agrees otherwise
 - i. Pre-Production and/or trial material must be clearly identified by program, purchase order number, as well as any other information defined by WMG ACD. (can be found on the WMG website)
 - ii. Bulk material suppliers require weigh scale measurements for the receiving department at WMG plant – see section Transportation of Bulk Materials



Engineering Change Level Sample Submissions

Sample submissions for engineering change levels will be controlled as per the following section(s) in this guideline:

Section - Engineering Requirements page 14 item # 8

Packing Slips

WGM ACD requires only one (1) copy of the packing slip.

- The packing slip must be attached to the shipment in a visible location
- The quantity shipped must be per the established unit of measure as indicated on the release
- The packing slip must be neat and legible and include the following information:
 - i. Supplier Code
 - ii. Date shipped
 - iii. Ship via carrier
 - iv. Operating division purchase order number
 - v. Operating division part number with revision level
 - vi. Number of cartons per part and number of parts per carton
 - vii. Total quantity for each part clearly identified
 - viii. Indicate whether freight is prepaid or collect

Bulk Material suppliers require weigh in/ out from local public weigh scale facility. This is mandatory, failure to do so will result in SCN(s) being issued. Payment cannot be made without both weigh in / out tickets.

Bill of Lading

The bill of lading must include the following information:

- Total number of containers shipped

EXAMPLE OF CONTAINERS SHIPPED:

20 Cartons on 1 Skid or 1 Skid @ 20 Cartons

- Number of cartons per skid and/or the number of loose cartons
- Proper NMFC Description, Item Number, And Class

EXAMPLE OF NMFC DESCRIPTION, ITEM
NUMBER, AND CLASS:

OEM PLASTIC AUTOMOTIVE COMPONENTS,
NM18850, CL 85.

If you are unsure of the NMFC description, item number, or class, contact your designated carrier for the correct information. Because this information affects freight rates, it is critical to ensure that this information is correct. In addition, this information must be included on the packaging specifications form.

Transportation

Specified truck lines along with customs and brokerage information, if required, shall be detailed on the routing instructions.



Authorized Carriers

WMG ACD Suppliers must ship only by specified truck line unless otherwise authorized. Please forward any questions, comments, or suggestions about your authorized carrier to your operating division materials representative. The supplier must have a premium transportation authorization number to ship on an alternate carrier, regardless of freight responsibility.

Window Times

Each supplier will have a designated number of shipments allowed per day, window times, and dock number, unless otherwise authorized. It is imperative to ensure an uninterrupted material supply, that these requirements be met. Suppliers not meeting the above criteria will be required to supply a corrective action plan and will be held financially responsible for all applicable freight charges.

Excess Transportation Charges

Excess transportation costs may be debited back in full to the supplier for reasons including, but not limited to the following:

- Unauthorized multiple shipments
- Expedited freight as a result of past due requirements
- Expedited freight utilized to avoid past due requirements
- Expedited freight as a result of defective material
- Using unauthorized truck lines
- Past due parts received on regularly scheduled truck(s)

Transportation of Bulk Materials

It is the responsibility of the supplier to acquire bulk material weigh in/ out receipts from the local public weigh scale and provide to WMG shipping/ receiving supervisor for each shipment.

Purchasing Requirements

Selection and Assessment

The WMG ACD Purchasing Department maintains an approved supplier list. The list is updated on a continuous basis from results of assessments, development and performance monitoring systems.

OEM directed: After the OEM identifies the supplier as the selected source for a specific part or commodity, the approval process will start.

Competitive Bidding: Quotes and proposals may be solicited from potential new suppliers who are not included on the approved supplier list. Tentative sourcing decisions to award business to a new supplier may be made with the requirement that the supplier has completed all selection requirements prior to the issuance of production purchase orders.

WMG production component suppliers must be ISO9001:2015 (when upgrade available) certified at a minimum if they are not IATF16949 complaint. All product suppliers who are not IATF16949 certified (and are ISO9001:2015 complaint) must submit a plan to upgrade their certification to IATF16949 and be able to show a progressive action plan to completion.

At time of any on-site visit or supplier audit an additional supplier evaluation will be completed. A C-TPAT audit is a facility security evaluation that assesses and documents the supplier security measureable for those suppliers involved in shipping product across international borders to one or more WMG manufacturing locations.

All suppliers of software related products or products including embedded software must demonstrate and provide proof of a software quality assurance program.

Conditions of Business

As a condition of business, all suppliers must be prepared, on request, to provide any information required to substantiate the capability to provide the necessary products, commodities and services. This shall include, but is not limited to, technical capability systems/procedures to evaluate key product characteristics, price structure, capacity and financial information. In addition, the supplier must be prepared to provide proactive initiatives such as cost reduction proposals and recycling programs.

Suppliers are obligated to comply in all respects with the terms, conditions and requirements of:

- All relevant Local, Provincial, State and Federal Government Legislation with special emphasis on hazardous waste and other environmental requirements
- WMG ACD Purchase Order and all Terms and Conditions (found on website at www.windsormoldgroup.com)
- WMG ACD Supplier Manual
- Any additional requirement(s) specified by WMG ACD

All suppliers must provide country of origin certification and other documentation required under the US/Canada Free Trade Agreement and the North American Free Trade Agreement. All customs requirements must be met in a timely manner to ensure efficient transportation of goods.

Suppliers will be required to sign a Bailment Agreement where the Purchase Agreement requires WMG/OEM tooling to be used and stored in supplier's facility.



Windsor Mold Group Automotive Components Division (Purchasing, MP&L or Quality representatives), WMG ACD's customer or customers representative shall be afforded the right to visit to verify at your premises (supplier or sub-contractor's site) that all products are 100% compliant to any systems or actions noted during development or while in production.

Purchase Orders

Suppliers are expected to sign up to a Long Term Agreement (LTA) Productivity Program or another type of Cost Savings Agreement. This LTA is to provide cost savings through, but not limited to, raw material price decreases, value analysis, or productivity improvements.

Supplier to provide capacity assurance at the time of quote that there will be no issues or constraints meeting estimated production volumes.

Warrants and certification requirements may be referenced on the Purchase Order and / or Terms and Conditions. Independent annual validations are to be carried out by an accredited testing facility.

Approved Engineering Changes

The Designated Buyer and/or Program Manager will communicate approved ECN's, with available documentation to the supplier. All instructions and required documentation changes will also be communicated at that time.

Supplier Performance Monitoring

Quality performance will be monitored individually by tracking defective parts per million (PPM) received. Quality performance will be established by point system up to 100 points. Performance data will be captured in the product supplier scorecard. The requirement for quality performance is less than 50 PPM.

Quality – PPM

Table with 2 columns: Points, PPM. Rows show point ranges from 100 to 0 and corresponding PPM ranges from 0 to 500+.

Delivery / Disruption(s) performance will be monitored individually by tracking compliance to shipment due date(s) and quantity accuracy from the receipts. The measureable will be 100 points and performance data will be captured in the product supplier scorecard. Any deviation from timeliness and quantity accuracy requirement(s) must be approved by the appropriate material representative. Written authorization will be in the form of a modified supplier release. The requirement for delivery performance is 100%.

Delivery / Disruption(s)

Table with 2 columns: Points, % On Time. Rows show point ranges from 100 to 0 and corresponding % On Time ranges from 100 to < 60.



Premium Freight Occurrence(s) will be monitored individually by tracking number of shipment(s) that are required to ship using premium freight and verified that the supplier is charged back for all associated cost.

No# Occurrences		Responsible	Cost Recovery	Charge Complete
		(WGM / Supplier)	(Yes / No / N/A)	(Yes / No)
0				
1				
2				
3				
4				

When **Warranty Issue(s)** occur, WGM ACD Plant Quality will issue an SCN(S) to the supplier notifying that actions and response is required to improve long term durability and reliability of the supplier's product. The response from the supplier will be used in feedback to the OEM customer. We hope this will help the supplier to develop improvements of existing production product or increased preventative measures for lessons learned on any new designs.

No# Issues		Lot No#	Date of Mfg	SCN No#
0				
1				
2				
3				
4				

A **Product Supplier Scorecard** will be issued each quarter summarizing each individual production component supplier /sub-contractor. Suppliers of new programs will start being evaluated upon start of production. Should the supplier not agree with their performance rating for the quarter a written response to the appropriate WGM ACD Plant Quality Manager is required within 5 working days from receipt.

Unsatisfactory Supplier Performance will be determined by the following:

- Less Than 100% in Delivery Performance Category
- Greater Than 50 PPM in Quality Performance
- Less Than 90% Overall Performance
- Continual noncompliance to any requirements as outlined in the Supplier Manual
- Not responsive to customer service request(s)



Unsatisfactory Component Supplier Performance will be monitored by the WMG ACD Plant Quality Manager, ACD Supplier Quality Engineer and the Purchasing Department with any of the following steps being taken:

- Corrective Actions (Action Plan, 8D) submitted as requested and monitored for compliance
- Meeting with supplier representative, and appropriate WMG ACD personnel to issue time-line of completion for required corrective action
- On-site Supplier visit and/ or IATF16949 2nd party audit if quality / delivery concerns continue
- Notice of placement on Controlled Shipping 1 (CS1), which requires 100% inspection of all parts prior to shipment
- Notice of placement on Controlled Shipping 2 (CS2), which requires 100% inspection by a 3rd party
- Notification to supplier of new business hold status
- Notification to supplier of product de-sourcing due to continued non-compliance

New Business Hold

Suppliers will be placed on new business hold (NBH) for any one, or combination of, the following criteria:

- Suspension of their quality system certificate
- Performance issues resulting in multiple instances of controlled shipping
- Financial risk or instability
- Contractual issues, (at purchasing discretion)
- Continuous unsatisfactory performance

The New Business Hold (NBH) Process is as follows:

- Purchasing and/or corporate quality will review supplier performance and have the authority to initiate NBH
- Purchasing will notify the supplier of their new business hold (NBH) status
- Supplier status will be reflected in the supplier scorecard
- Purchasing will develop and review the improvement expectations and exit criteria with the supplier
- Purchasing will monitor supplier's progress to plan
- Once supplier has met exit criteria, a NBH removal letter will be issued to the supplier
- Purchasing removes the NBH status from the supplier performance rating system



Engineering Requirements

APQP Team Development

WMG recommends a disciplined tracking system toward decisions for design. Individuals will evaluate significant, critical and dimensional tolerance conditions by tracking quality (inspection design), reliability (testing and checks), health, safety, environmental and cost reductions effecting any new product.

During the planning stage new product is evaluated for the effect of impact on new programs. Higher risk levels are identified for many possible reasons (a new supplier, historical quality or delivery issues complexity of design or new technology) may cause the elevation.

With the use of Computer Aided Design the supplier can facilitate the lead in the development of the products from concept, prototype and production. Providing capability feedback to the APQP team at any stage of the program.

The supplier should be evaluating different engineering techniques Value Analysis/ Value Engineering (VA/VE), Continual Improvement planning, Benchmarking and Mistake/ Error Proofing to maximize product's design and manufacturability.

Engineering Changes

Operating Division, Customer, Supplier Request

- All supplier requests for engineering change will be processed via the Engineering Change Notice (ECN) process
- Any requests involving the price of a supplier component will utilize the RFQ form to itemize applicable cost and timing
- Cost and timing response to all RFQ's are expected within 24 hours, unless otherwise arranged with the designated buyer
- Status of ECN will be provided to supplier via the designated Buyer or Program Manager

Engineering Change Level Sample Submissions

Sample submissions for engineering change levels will be controlled as per the following section(s) in this guideline:
Section - Supplier Quality Requirements

Approved Engineering Changes

The Designated Buyer and/or Program Manager will communicate approved ECN's, with available documentation to the supplier. All instructions and required documentation changes will also be communicated at that time.

Product Launch Expectations

Extraordinary Launch Efforts

The supplier shall do the following during the launch of a new product or as deemed appropriate by WMG ACD personnel (i.e.: Engineering Change).

Establish a verification process that contains the following elements:

1. Identification of the staff person responsible for ensuring the development and implementation of the verification process.

2. Development of a pre-launch control plan consisting of additional controls, inspection audits, and testing to identify non-conformances during the production process. Depending on the dominant factor of the production process (set-up, machinery, fixture, tooling, operator, material/components, preventative maintenance, climate) additional controls shall include:

- Off-line, separate and independent check from the normal production process whenever possible
- Mandatory 100% inspection for all pre-production and pilot parts shipped
- Increased frequency / sample size of receiving, process and / or shipping inspections after pre-production and pilot
- Addition of inspection/control items
- Increased verification of label accuracy
- Enhanced process controls such as error proofing
- Error proofing validation through introduction of known defects
- Pass-through characteristics (PTC's) and Critical Characteristics, as defined by customer requirements, must be identified in supplier control plans and PFMEA. The control mechanism(s) for these PTC's must be approved by WMG ACD

3. Immediate implementation of containment and irreversible corrective action when non-conformances are discovered in the extraordinary launch area or at the receiving location.

4. Identification and use of asset tags on measurement equipment and data collection devices / activities to be used.



PROPERTY OF GENERAL MOTORS	
TOOL NO.	
PART NAME	
PART NO.	

PROPERTY OF GENERAL MOTORS	
TOOL NO.	

5. Documented evidence of execution and validation of the control plan.

6. To indicate compliance with the extraordinary launch requirements, attach to each shipping label a green circular sticker signed by a staff person accountable for the quality level of the facility.

7. The supplier will be contacted specifically by the WMG ACD purchasing and / or WMG ACD Plant Quality department during development of new product (dedicated program specific tooling) and requested to complete and submit to the affected WMG plant a "Capacity Study & Windsor Mold Group ACD Run at Rate Sheet".

8. New Model Delivery Notification Form must be attached to the first (3) shipments of any new product entering a WMG manufacturing facility. (see form on WMG website)

9. A supplier maybe granted an exception to this process only by their assigned WMG Buyer.

Exit Criteria

Ship the number of pieces or for the duration specified by the procuring division with no discrepancies detected by the pre-production control plan.

If the supplier does not meet self-exit criteria above, all problem reports must be closed by the customer plant in order to exit extraordinary launch.

If the extraordinary launch plan continues to identify non-conformances, the early production containment plan must be kept in place until process controls and capabilities have proven effective and the production control plan is validated.



Supplier Quality Requirements

General

All submissions for part approval must conform to the requirements as specified in the AIAG Manual "Production Part Approval Process" and "Customer Specific – requirements". The PPAP requirements per AIAG shall extend to all commodities supplied by external independent suppliers (i.e. subcontractors & third tier suppliers).

All submissions for production part approval must include the requirements as specified for a Level 3 submission, unless otherwise instructed. All submissions for prototype part approval must include the requirements as specified for a Level 2 submission, unless otherwise instructed.

Suppliers shall be responsible for costs incurred by WMG ACD associated with the acceleration of testing, missed schedules, etc. resulting from late or incomplete submissions.

During the acquisition of any new sample materials, when IPN(s) haven't been developed or assigned all PO(s) will identify a Sample Material Request number (SMR-) that must be identified on each container received and on all packing slips at any WMG facility or external trail facility on behalf of WMG.

Suppliers shall be responsible for annual layouts as required by OEM customer expectations.

Certificate of Analysis and other requested data.

Raw Material Suppliers must send a Certificate of Analysis with each shipment. A colour plaque must also be supplied if requested by WMG ACD Purchasing or the corresponding WMG ACD Plant Quality Department. Depending on the nature of the product(s) supplied, regular submission of capability data may be requested.

Control and Revision of Inspection/Test Equipment

Revision of any test/inspection equipment, supplied by WMG ACD and relevant to an engineering change will be controlled as per the following section.

Control of Inspection Fixture, Measuring/Testing Instruments and Equipment.

All equipment provided by, and property of, WMG ACD for measuring and test activities at suppliers/sub-contractors shall be monitored with respect to latest product engineering change level for which each piece of equipment is used. Provided equipment shall be maintained in the state of repair and cleanliness that it was provided in. WMG shall be notified in a timely manner should repairs for which we are responsible are required.

Lot Traceability

Traceability Requirements

Supplier must ensure lot traceability on all components and assemblies. The level of lot traceability will be specified in the respective product control plan.

Record Retention

Suppliers are expected to maintain applicable record retention periods as specified in the latest released edition of IATF16949 and OEM specific requirements unless specified by WMG.



WMG ACD shall monitor the recall, modification, update, verification, return and/or replacement of all such equipment. Document change control procedures and instructions for compliance will be addressed through the APQP procedure.

All Suppliers/Sub-Contractors should have a documented system in place for monitoring all changes to the supplied measuring and test equipment. The system shall address annual verification procedure by suppliers/sub-contractors to WMG ACD.

All tooling, inspection and test fixtures supplied by and property of WMG ACD are to remain permanently marked with clear identification of WMG ACD ownership.

Production Location Changes/Continuous Improvement

Suppliers are expected to notify WMG ACD of any significant changes in facilities, operations or management, which will then be assessed for impact on the affected plants and its customers' requirements within the supplier quality assurance process.

Control Plans, FMEAS, and/or System Plans from suppliers which have been requested will be reviewed to establish if WMG ACD requirements are being met and for impact on any areas of continuous improvement development. Continuous improvement is a requirement for all suppliers.

Suppliers are expected to participate in continuous improvement activities within their own facilities. Upon request copies of such continuous improvement plans will be shared and discussed with Windsor Mold Group representatives. (WMG continues to evaluate new technology or ideas that will make us more competitive in the market)

Quality & Delivery Problem Reporting & Resolutions

Notification from Supplier/Sub-Contractor to WMG ACD facility

In the event that a supplier has reason to believe that a non-conforming or severe process condition exists in the areas of:

- Quality
- Delivery
- Other

Immediate action must be taken to contain the non-conforming condition by the supplier and to contact the appropriate WMG ACD facility. Contact shall be by telephone for emergency issues.

Notification shall be followed up by:

- Immediate action within **24 hours** (including replacement material/components)
- Long term corrective action with irrevocable conditions to prevent any further occurrence of similar non-conformance and with applicable statistical documentation to support evidence of verification of irrevocable corrective action taken. All corrective action must be provided in the 8D format

Notification from WMG ACD facility to Supplier/Sub-contractor

In the event that WMG ACD personnel identify a non-conformance or severe process condition exists in the areas of Quality & Delivery:

- A supplier concern notice (SCN) shall be issued as it relates to quality issues. The supplier has **24 hours** from receipt of a SCN to respond with a disposition of the defective material. After 48 hours passes with no response WMG ACD may, at its discretion, scrap the material and charge the supplier back in full for the product. The plant quality department will be the main point of contact for quality problems and resolution. If the problem affects delivery, then the buyer and material representative must be notified immediately



- A supplier concern notice (SCN) shall be issued as it relates to delivery performance at the materials representative discretion for delivery problems or other non-conformance.

Consequences of shipping non-conforming material

- Failure to execute extraordinary launch efforts may result in consequences such as controlled shipping level 2
- Shipment of discrepant material during the specified extraordinary launch window or any other time may result in controlled shipping level 2

Delivery and Quality problems will negatively affect the supplier's scorecard. Continued problems could result in de-sourcing.

Sorting/ Downtime Charges

If for any reason you are unable to ship as scheduled or you experience quality problems that affect our components, you must inform your materials representative immediately. Past due requirements or defective material could result in line shut downs at our facility and/or our customer's facility. It is your responsibility to inform us of any concerns related to your ability to supply quality parts as released. If a supplier's delivery or quality performance results in downtime at WMG ACD, the supplier will be liable and shall indemnify WMG ACD for all financial and other losses, costs, expenses and damages suffered or incurred by WMG ACD.

If past due parts or defective material are deemed the fault of the supplier, the supplier shall bear the cost of all expedited freight required to meet the WMG ACD requirements. It is the supplier's responsibility to automatically expedite should the supplier foresee or incur a past due situation. If a supplier's delivery or quality performance results in downtime at a customer of WMG ACD, the supplier will be liable for all financial and other losses, costs, expenses and damages determined by the customer.

- WMG ACD sorting charges are \$65 USD per hour
- All costs, expenses, charges whether direct, indirect, incidental or consequential arising from or relating to delivery or quality issues of products are the responsibility of the supplier
- A \$150 USD administrative charge will be applied to each supplier chargeback

Notification by WMG ACD to supplier / subcontractor shall be followed up by:

- Immediate action within 24 hours
- Long term corrective action with irrevocable conditions to prevent any further occurrence of similar non-conformance along with statistical documentation to support evidence of verification of irrevocable corrective action taken
- All corrective actions must be in an 8D format

Controlled Shipping Levels 1 & 2

WMG ACD has the authority to place a supplier on controlled shipping for quality concerns. Based on the severity of the issue, the facility shall determine the level of inspection (**CS1 or CS2**). Controlled shipping may be determined by one or more of the following reasons:

- Repeat quality issues or failure to correct an issue through resolution of a corrective action
- Severity of a quality nonconformance
- Incapable process
- Disruption to the WMG ACD or OEM facility
- Any additional reasons deemed necessary by the facility



The Controlled Shipping Process is as follows:

- Notice of placement on **Controlled Shipping 1 (CS1)**, which requires 100% inspection by the supplier
- Notice of placement on **Controlled Shipping 2 (CS2)**, which requires 100% inspection by a 3rd party auditor, chosen by WMG ACD, prior to shipment. This expense will be the responsibility of the supplier
- Quality will review supplier concern notice and nonconformance issues and have the authority to initiate controlled shipping
- Quality will notify the supplier of their controlled shipping (CS1 or CS2) status via the controlled shipping notice
- Supplier controlled shipping status will be reflected in the supplier scorecard
- Purchasing and Quality will develop and review the inspection and controlled shipping expectations and exit criteria with the supplier
- Purchasing and Quality monitor supplier's progress to plan
- Once supplier has met exit criteria, a controlled shipping removal notice will be issued to the supplier

The supplier will be charged directly by the CS2 provider for their services. If this does not occur, WMG ACD will chargeback the Supplier for all controlled shipping expenses.

All charges deemed to be the responsibility of the supplier shall be communicated to the supplier via the WMG ACD Supplier Chargeback form. Chargebacks will include items such as excess freight, scrap, sorting, downtime and administrative charges. (both at OEM customer and at WMG facilities)

Any extra-ordinary cost caused by the supplier (ex. quality - damage, premium freight and / or on-time delivery) will be at the expense of the supplier.

Records and Logs

Suppliers are expected to maintain audit results, records and performance measures to share with WMG as appropriate.

MP & L Requirements

Scheduling

- Raw material may be ordered by issuance of an individual purchase order or releases under a “blanket” purchase order
- Suppliers who have been issued a “blanket” purchase order will receive a weekly release (at a minimum)
- Ship only quantities released unless your WMG ACD material representative has authorized other arrangements. Over shipments may be subject to return at supplier’s expense and without receipt of a return material authorization. Excess transportation charges resulting from unauthorized multiple shipments, past due requirements and/or unauthorized truck lines will be debited in full to the supplier
- Suppliers who are unable to meet all requirements for delivery date, time, quantity and quality as requested must notify the materials representative immediately. Note that this communication, although appreciated, does not alleviate the supplier of any of the related costs and penalties associated with being past due or shipping defective material
- Unless previous arrangements have been made or agreed to by WMG ACD a 2 week firm release and a 10 week forecasted will be provided

Late Shipment Notification:

- Telephone calls noting schedule deviations, while expected for planning purposes, do not result in allowances for deviation for the requirement schedule. If a shipment is missed or is incomplete an expedited carrier must be set up at the supplier’s expense
- Please realize that our customer’s requirements fluctuate on a daily basis and we will always continue to meet these requirements without exception. Because of this, we require our supply base to provide the same level of flexibility and support

Delivery Performance

A Supplier Concern Notice (SCN) noting delivery problems may be issued, at the material department’s discretion for action to be taken and required response date.

Contingency Planning - Transportation

If alternate transportation methods are required Windsor Mold’s service provider is:

Vimich Transportation
12201 Tecumseh Road East
Tecumseh, Ontario
N8N 1M3
1-800-284-1045 or 519-735-6933, Dispatch or x204 (after hours)

Environmental Requirements

Hazardous/Non-Hazardous Chemical Requirements

All suppliers/sub-contractors supplying goods which are considered to be “controlled” under Workplace Hazardous Material Information Systems (W.H.M.I.S.) **must** be familiar with and comply with all such regulations, for packaging and shipping. Material safety data sheets (M.S.D.S.) **must** accompany all initial shipments from all suppliers/sub-contractors and marked to the attention of the health and safety coordinator. Updates to all material safety data sheets (M.S.D.S.) are required every year and should be sent to the attention of the Plant Quality Manager.

Social and Environmental Responsibility

Responsibilities

WMG Standards of Responsibility recognizes that the health and safety of our employees, as well as that of our suppliers throughout the world is of utmost importance. Our work practices and policies are designed to minimize risk. We all must routinely review and improve workplace conditions to ensure a safe and healthful workplace and must report unsafe working conditions anywhere in the world to supervisors and management.

General Expectations

WMG expects its suppliers to conduct their operations in a socially and environmentally responsible manner. The goal is to work together with our suppliers to encourage the following.

- Compliance with applicable laws and regulations
- Integration of environmental, occupational health and safety, and human rights and labor policies into the decision-making process based on a sound management system
- Clear, accurate and appropriate reporting to WMG upon request

All of the aforementioned items must be consistent with the operating practices of WMG in order to be considered a partner or supplier.

Management Systems

Suppliers should adopt a management system compliant with registering to ISO9001, IATF16949 and ISO14001 or equivalent that would be approved by WMG Purchasing promoting continuous improvement and compliance with applicable laws, regulations and contract requirements.

Ethics

WMG Policies provide guidance to help suppliers meet the environmental and social obligations.

Suppliers are expected to uphold the highest ethical standards to include:

- Prohibit corruption, extortion and embezzlement, bribery, or other means of obtaining undue or improper advantage and to ensure fair business, advertising and competition
- Properly disclose and protect business information, customer information, and intellectual property rights in accordance with applicable requirements and prevailing industry practices
- Protect supplier and employee whistleblower confidentiality



Implementation

Basic Principles – WMG will encourage improvement when appropriate. However, termination of a contract will be considered when the supplier fails to comply with the spirit and intent of WMG Policies, has significant social and environmental performance issues that cannot be resolved in a timely or cooperative manner or could result in significant repercussions for WMG or our customers.

Supplier Selection Criteria – In addition to cost and quality, social and environmental performance will be used to select and retain suppliers. Acceptance of a Purchase Order demonstrates the suppliers agreement to abide by the WMG Policies. No Purchase Order will be awarded to supplier that refuses to abide by the WMG Policies within a reasonable amount of time; or have significant environmental or social performance issues that cannot be resolved in a timely manner.



Revision History

10-May-07	Minor changes regarding packaging, colour plaques and coatings
14-Dec-07	Updates to sec. 1.1.1 and 1.1.3, supplier approval wording change
6	Added 11.1.7 identifying supplier expectation of Capacity Study requirements at time of new product launch
7	Added All of Section 12.0 and updated the index accordingly and remove appendix – WMG ACD contact list
8	Added “Customer Specific” to section 9.1.1 and added section 9.1.5
9	Added 11.1.8 New Model Delivery Notification, remove 3.1 Section B and update index accordingly
10	Complete format update of the Manual
11	Updated to new IATF16949 Standard
12	Change wording page 5, General Supplier - item #6, page 9, Selection and Assessment - item #6 and page 14, Product Launch Expectations - item 2 (point 8)