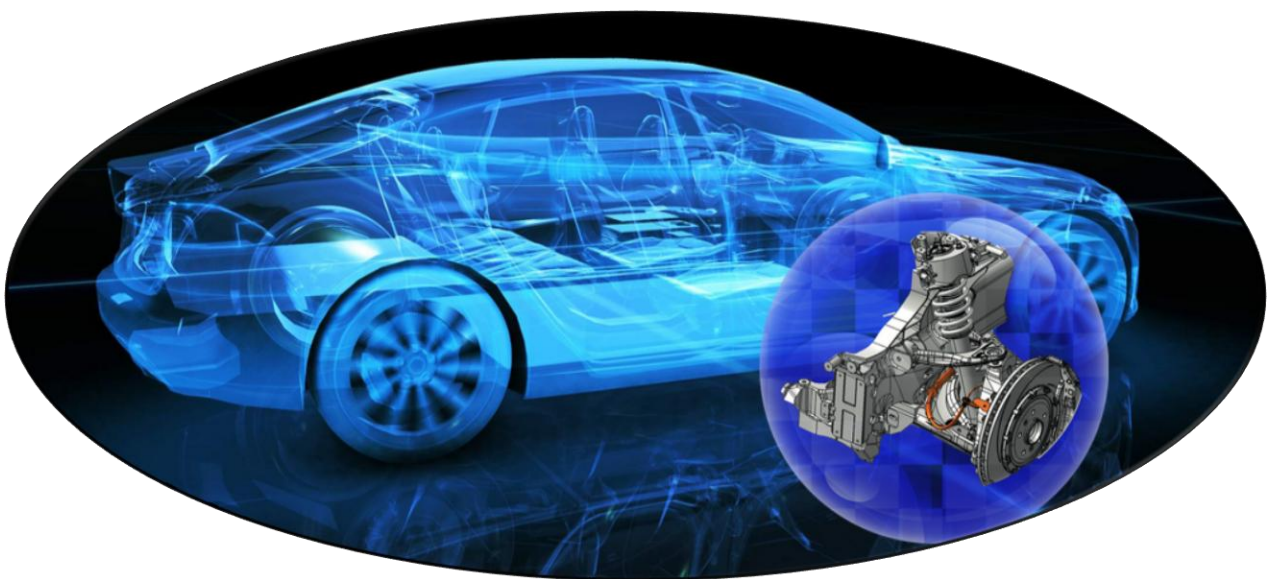


Global Supplier Quality Manual



For use with current editions of IATF 16949 and ISO 9001.

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1. Introduction

1.1 Purpose

The purpose of this manual is to communicate Flexitech's requirements, which are representative to the automotive industry. This manual does not change or reduce any other contractual requirements covered by the purchasing documents or requirements of engineering drawings or specifications.

Quality System Requirements: ISO-9001 is defined as minimum acceptable unless otherwise agreed upon by Flexitech, with the goal of certification to IATF-16949. Compliance to the Minimum Automotive Quality Management System Requirements (MAQMSR) for Sub-Tier Suppliers must also be demonstrated as directed by Flexitech Supplier Quality. A copy of the registration certificate shall be provided after a change in the registrar, status change and or communicated where to locate a copy of updated certificate. If a supplier has a Special Process as defined and recognized by AIAG, the supplier shall also adhere to the CQI standard and requirements.

Suppliers are to maintain their QMS registration and have evidence of compliance available upon request. In the event where a supplier certificate has either become suspended, withdrawn, or lost, the supplier must communicate with their Flexitech Purchasing and Quality contact.

The requirements, as detailed in this manual, define basic requirements and are supplemental to specific requirements defined by the OEM Customer and the Flexitech Program APQP team.

There will be no variation in quality management expectations. Packaging will vary per the regulations of each country, your Flexitech Purchasing or Quality contact will provide you with additional information as applicable to their region.

* For the most recent and correct revision of the Global Supplier Quality Manual, please refer to the Flexitech website www.flexitech.com

1.2 Scope

This Global Supplier Quality Manual applies in the agreed version to all Flexitech external suppliers, material suppliers, and customer-directed suppliers of approved production parts.

2 General Requirements

2.1 Corporate Social Responsibility

Flexitech is aware of the challenges and opportunities for progress that may occur in the supply chain. It has thus taken up a set of guidelines to promote responsible behavior on behalf of its suppliers. Suppliers must follow the Flexitech Code of Conduct posted on our website www.flexitech.com.

The principles mentioned in the Code of Responsible Purchasing are based on the Ten Principles of the United Nations Global Compact, the conventions of the International Labor Organization, as well as declarations relating to human rights, abolition of child labor, and diversity (gender, age group, ethnicity, ...).

The Code of Responsible Purchasing, below, sets out the commitments expected from Flexitech's suppliers:

- Support and respect national the protection of internationally proclaimed human rights
- Ensure noncompliance to human rights abuses
- Uphold the freedom of association and the effective recognition of the right to collective bargaining
- Uphold the elimination of all forms of forced and compulsory labor
- Uphold the effective abolition of child labor
- Uphold the elimination of discrimination in respect of employment and occupation
- Support a precautionary approach to environmental challenges
- Undertake initiatives to promote greater environmental responsibility
- Encourage the development and diffusion of environmentally friendly technologies
- Work against corruption in all its forms including extortion and bribery

Flexitech invites its business partners to ensure that their own partners are aware of and respect the Corporate Social Responsibility (CSR) principles mentioned above.

Flexitech is committed to the success of their CSR and Environmental, Social, and Governance (ESG) practices, to ensure a sustainable future for Flexitech's employees, investors, and society. Flexitech encourages their suppliers to adapt the same principles of corporate strategy, operations, and supply chain. In addition, Flexitech encourages suppliers to consider developing procurement policies taking into account each carbon footprint. This commitment will request the sharing of supplier's objectives, values, and carbon footprint or a life cycle analysis of products purchased by Flexitech.

2.2 Quality Policy

Flexitech can only meet their customers' comprehensive quality and productivity expectations by consistently pursuing their **Zero-Defect** strategy and fully adhering to delivery dates and quantity demands. To do so, Flexitech must ensure reliable control of workflows and processes from the development of a product to its ongoing delivery.

The factors that determine quality are defined during the development of the product and its manufacturing technology.

For Flexitech, the term "quality" means that a product meets the totality of characteristics of a unit with regard to its suitability to fulfill specified and defined requirements to which both parties agree upon. or exceeds the customer requirements and expectations.

Flexitech ensures customers' wishes and requirements are considered by maintaining communication along the entire process chain. This also includes the companies that supply Flexitech with raw materials and parts.

Flexitech's commitment to quality is **to do it right the first time, every time.**

2.3 Suppliers Assessments

Flexitech will require suppliers to participate in witnessed or self-assessed audits to ensure the processes and product remain compliant with the Flexitech Global Supplier Quality Manual. The type and frequency of the audit will depend on the supplier's scorecard and risk assessments.

Additional assessments may be required per CSR which may include additional testing from an outsourced laboratory at the supplier's expense.

2.4 Suppliers of Special Processes

Flexitech suppliers who provide special processing that fall under the directives identified in the AIAG CQI assessments, are required to complete and submit the appropriate documentation (coversheet) to Flexitech.

- CQI- 9 Heat Treatment (for example, heat treated fasteners)
- CQI-11 Plating (for example, plated fittings or brackets)
- CQI-12 Coating (for example, coated brackets)
- CQI-15 Welding
- CQI-17 Soldering
- CQI-23 Molding
- CQI-27 Casting

2.5 Supplier Development

Flexitech will support suppliers to develop, implement and improve their Quality Management Systems with at minimum ISO 9001 with the ultimate objective of becoming IATF 16949 certified by providing the necessary information, knowledge, and experience. Examples of such support include:

- Performance evaluation
- Clear definition of the specification documents
- Quality evaluations
- Specification of the forms required for governing and regulatory documents

2.6 Sub-Supplier Management

Flexitech suppliers are entirely responsible for the QMS, product quality, and delivery of their supply chain with evidence ensuring alignment with their current automotive quality management standard. Suppliers shall manage their supply base and have documented evidence-ensuring alignment with the standards set forth within the current automotive quality management standard IATF 16949. Documented approval for part or service shall be obtained with evidence retained for life of program from all sub-suppliers and made available to Flexitech upon request.

- It is expected that for initial sub-supplier PPAP, conducting an on-site process audit (or equivalent) will occur and includes control plan compliance.

Flexitech reserves the right to carry out process approval at the sub-supplier in instances of major risk or problem to Flexitech or our customer. Suppliers are expected to have an annual audit plan of their supply base that includes at a minimum, verification of compliance to the intent of:

1. Control of Changes (IATF 16949 8.5.6)
2. Control of Non-Conforming Outputs (IATF 16949 8.7)
3. Nonconformity and Corrective Action (IATF 16949 10.2)

- Suppliers shall inform Flexitech of any non-conformance identified at the sub-tier level as well as their associated corrective action.

Flexitech reserves the right to conduct audits within the supply chain in the event of a customer complaint, a major customer issue, or a quality concern at Flexitech.

2.7 General Regulatory and Compliance

Where applicable, suppliers including sub suppliers are obligated to maintain compliance to the following:

- Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- Biocidal Products Regulation (BPR, Regulation (EU) 528/2012)
- Regulation (EC) No 850/2004 of the European Parliament and of the Council of 29 April 2004 on persistent organic pollutants and amending Directive 79/117/EEC (POP) Stockholm Convention to protect human health and the environment from persistent organic pollutants
- U.S. Toxic Substances Control Act (TSCA) and its amendment, Frank R. Lautenberg Chemical Safety for the 21st Century Act.
- Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles (ELV)
- Dodd Frank Wall Street Reform and Consumer Protection Act; – section 1502 Conflict Minerals Reporting Template (CMRT)
 - suppliers source 3TG from smelters whose due diligence practices have been validated by an independent third-party audit program
- European Union Conflict Minerals Regulation: May 2017(2017/821); - Extended Minerals Reporting Template (EMRT)

2.8 Product Safety & Conformity Representative (PSCR)

Product safety and liability are particularly significant in the Automotive Industry, and it is the responsibility of the supplier to guarantee the conformity of their product and supply chain. To prevent product risks, the supplier must designate a Product Safety and Conformity Representative (PSCR) in their organization and notify the Flexitech purchasing department of any changes. This designated person must have the necessary skills to guarantee the quality of the products and avoid product liability cases.

2.9 Contingency Plan

The supplier must have a written contingency plan for potential emergencies that would disrupt the production flow to Flexitech. In the event of an emergency, the supplier must provide written communication to Flexitech at the earliest opportunity. Flexitech defines an emergency event as a disturbance that will impair the quality, quantity, or the delivery date of the ordered product. Disturbances include but are not limited to reoccurring natural disasters, labor shortages, infrastructure disruptions, key equipment failures, interruptions from externally provided product and processes, pandemics, fire, cyber-attacks on information technology system, or utility outages.

2.10 Traceability

Flexitech requires the supplier to establish and maintain procedures for identifying the production lots from receipt of raw material through shipment of final product. This system should permit the segregation of suspect material, and the reporting of quality and production data, based upon the unique bar code label on each container supplied to Flexitech. All required paperwork, such as

material certifications and inspection reports, shall be retained by the supplier and be available to Flexitech upon request.

2.11 First in First Out (FIFO)

FIFO principle must be assured throughout the entire process of production and shipping. If for any reason the FIFO principle is not attainable, the supplier must notify the Flexitech logistic team.

2.12 Record Retention

Supplier is required to comply with the retention period for the length of time that the product is active for production and service requirements, plus one calendar year unless otherwise specified by the customer or regularity agency. Records will be retained at the supplier per the following or per Customer Specific Requirements, whichever is more stringent:

- PPAP records: 15 years past life of program
- Material certification: 3 years after creation
- Inspection reports: 3 years after creation
- All other part quality documents not specified: 3 years after creation

2.13 Process or Product Change Control & Notification

The supplier shall notify Flexitech of any planned changes to the design, process, or site per the AIAG requirements. Notification includes when the supplier's process or product is temporarily in a deviated status from the original PPAP on file. In extraordinary cases, a written deviation will need to be approved by Flexitech and the final customer.

A deviation request/waiver will be granted for a fixed amount, delivery, or period and shall not exceed these constraints, if an extension is needed the approval process will need to be repeated. Before the first delivery of deviated products, the supplier must inform Flexitech of the delivery date, the delivery notes, and the batch number. The deviated product labels must replace the former labels clearly identifying the pallets and containers on/in each pallet.

2.14 References for Requirements

Suppliers are responsible for obtaining and working in accordance with the automotive industry tools and procedures.

- Automotive Industry Action Group (AIAG)
- Advance Product Quality Planning (APQP)
- Product Part Approval (PPAP)
- Failure Mode and Effects Analysis (FMEA)
- Control Plan (CP)
- Statistical Process Control (SPC)
- Measurement System Analysis (MSA)
- ISO 9001 and/or IATF 16949
- Customer Specific Requirements (CSR)
- CQI- Special Process Assessment

2.15 Patents and other Industrial Property Rights

If during the co-development with the supplier an invention is created which may be granted a patent or other industrial property rights Flexitech will be the single owner of the patent or industrial property right.

2.16 Product Quality Assurance (PQA)

Flexitech has confidence in their suppliers and has decided not to perform an incoming/receiving inspection due to the framework of a Zero-defect strategy and simple reading of the efficiency curves of the statistical sampling plans. According to the European regulation under the PQA principle, the supplier is responsible for their product throughout the supply chain for a period of 2 years minimum. PQA status is automatically given after the approval of the initial samples of the components. When a non-conformity is documented the supplier's PQA status will be revoked. Following the claim, the supplier must perform a 100% inspection on the next three (3) deliveries, in addition to its usual control plan before delivery. The inspected product will be identified with a green label mentioning "100% CHECKED" and the number of the claim.

Any violation of this requirement as well as a new claim of the same reference during the considered period, will lead to the implementation of a 100% incoming inspection at the expense of the supplier.

2.17 Incoming Goods Inspections

The approval of initial samples automatically involves the Product Quality Assurance (PQA) status to the concerned reference. Therefore, Flexitech will not perform any incoming inspection, the supplier having the responsibility to deliver parts fully in accordance with the product definition.

Nevertheless, Flexitech limits its incoming goods inspections for deliveries received from its suppliers to ensure that the correct amount and type of products have been delivered and the identification of transportation and packaging damage. Any resulting complaints will be logged immediately.

Flexitech can also inspect the delivered products during manufacturing. The supplier shall be notified immediately in writing of any defects identified during these inspections.

2.18 Warranty Management

With increasing consumer awareness of vehicle performance and reliability, OEM customers extend warranty coverage. It is vital for Flexitech and their supply chain to focus on durability and persisting quality of their products.

OEM customers have stipulated that warranty costs will be shared with their supply chain, and Flexitech expects the same provision. When a supplier's component is implicated in a warranty, recall, or campaign of any kind, the supplier will be held responsible for root cause analysis, or an appeal, and must be prepared to accept all associated costs.

3 Product and Process Development and Part Approval

3.1 Feasibility

Suppliers are to provide adequate resources to manage APQP/PPAP effectively.

Suppliers are to maintain facility, equipment, and process capacity to the terms of the contract.

Suppliers are required to submit PPAP per the provided PPAP checklist that follows the AIAG PPAP standard.

PPAP timing will be communicated by Flexitech, the timing is imperative to ensure Flexitech meets the customer's receiving plant's expectations. Flexitech's target of approval is 30 days prior to the first material in-house requirement due date.

Key characteristics are product characteristics (material, dimension, performance) or process parameters whose variation can affect the compliance to regulations, safety, or the satisfaction of the OEM customer through quality reliability or durability of a Fit, Form, and Function, with a possibility of impacting the attachment/mount ability and workability of downstream customer processes. These characteristics are to be identified on the drawings, design FMEAs, process FMEAs, process flow charts, control plans, and standard work instructions. Pass-through characteristics are to be specifically identified in the process FMEA, and all characteristics are to be effectively controlled.

3.2 PPAP Submission Requirement

PPAPs are submitted electronically to Flexitech. All PPAPs must be AIAG compliant with a default Level 4, unless specified otherwise by Flexitech or the customer as in directed-buy suppliers. At a minimum, prior to production launch any parts shipped to Flexitech must have a Part Submission Warrant (PSW), dimensional layout, material test data and material certifications and evidence of special consideration of any pass-through characteristics; unless otherwise authorized.

Flexitech will review the submission and give one of three statuses:

- Approved-status A- indicates that the part or material meets all specifications and requirements. The supplier is authorized to ship products. Suppliers can only invoice for tooling when they achieve full PPAP approval.
- Interim Approval-status B- permits shipment on a limited time or piece quantity basis. A documented action plan is expected to address the meeting full approval.
- Rejected-status C- means that the submission does not meet the specifications or requirements. Flexitech will state the reason(s) for rejection on the PPAP warrant and return. A corrected PPAP must be submitted with full or interim status prior to shipments, or an authorized deviation will be given. A cost will be incurred with a rejected PPAP, see table in 4.4.

3.3 Customer Specific Requirements (CSR)

Suppliers must practice and understand all applicable OEMs' CSR. Suppliers are expected to find CSR on OEM authorized web sites i.e. <https://www.iatfglobaloversight.org/>

3.4 Validation

Where certification to Federal Regulations, such as, the Federal Motor Vehicle Safety Standards published under Public Law, are applicable; the supplier is required to certify compliance with such standards prior to initial production shipments and as required thereafter. All test results must be conducted by an accredited test facility. Whether an internal or external lab, the facility shall have a defined scope that includes its capability to perform the required inspection, test, or calibration and either accredited to ISO/IEC 17025 or national equivalent.

3.4.1 Annual Part Verification/Requalification

All product characteristics must be measured annually at a minimum to ensure continuing conformance to the drawing, special characteristics capability studies are mandatory, material and specifications for all parts provided to Flexitech. The results of dimensional inspection, material testing, and functional testing must be documented using the sequence of the

numbered blueprint from the PPAP submission. Supplier forms are acceptable but must be in English. Annual Validation/requalification is at no cost to Flexitech. Based on Flexitech's specific customer requirements, additional documentation may be required. Annual validation and requalification data must be provided to Flexitech within 30 calendar days of email notification.

In addition, suppliers are required to provide annual evidence of compliance:

- CQI Special Assessments, including sub-suppliers
- An updated Supplier Assessment Survey
- Customer Specific Assessments (i.e., PPA, Q1, MMOG, BIQS, etc.)
- Current Laboratory Certificates are also to be available upon request

Inability to provide timely annual validation documents when requested will result in the issuance of a Supplier Corrective Action Report (SCAR).

3.5 Statistical Process Control (SPC)

If requested, the supplier will provide evidence of control and on-going capability as required for the submission of the PPAP revalidation. SPC monitoring is required where applicable for prototype, preproduction trial runs, PPAP and continuous improvement monitoring.

- Minimum initial process capability values are:
 - >= 2.00 (Ppk) for Significant/Safety/Regulatory Characteristics (SC)
- Long term process study capabilities must be:
 - >= 1.67 CpK Significant/Safety/Regulatory Characteristics (SC)

Critical or significant characteristics are "special characteristics," that must be observed in conjunction with the respective agreements. Significant characteristics (SC) capability must be demonstrated by providing reports that include a histogram, control charts and test reports. Flexitech will approve any exception to the above requirements. Reference latest edition of AIAG Statistical Process Control (SPC) manual.

3.6 Customer Owned Tooling

The supplier is expected to follow the Flexitech Master Supply Agreement for handling Flexitech and customer owned assets. Suppliers are also responsible for tracking and identifying all assets. Relocation, disposal, or destruction of Flexitech or customer owned assets will only occur with documented approval from Flexitech.

4 Serial Production

4.1 Control of Nonconforming Material and Corrective Actions

The product must be 100% in accordance with Flexitech and OEM requirements.

The supplier must have a documented nonconforming procedure implemented to ensure that defective product is detected, identified, and contained. Should the supplier suspect that a nonconforming product has been shipped to Flexitech they are to inform the Quality Department.

If Flexitech identifies a nonconformance in the delivered product or services, the supplier will receive notification of the nonconformance and a request for corrective action. This

nonconformance can be a result of part quality, improper identification (labeling), delivery or missed ship schedule, late APQP timing, customer concerns or warranty problem. Notification of nonconformance will be by a phone call, followed up by an email.

The supplier must contain all suspected products immediately upon notification. The containment actions are to remain in place until Flexitech deems all corrective actions are acceptable. The supplier is obliged to communicate all containment measures within 24 hours of the notification.

The formal Supplier Corrective Action Report (SCAR) detailing the root cause and corrective action must be completed within ten business days. The validation and closure of the SCAR is targeted to be thirty calendar days. Flexitech will authorize an extension of the SCAR timing if needed due to implementation timing.

If a sort of product is required at Flexitech, the supplier has the option in most cases they can sort the product themselves or hire a third-party inspection company approved by Flexitech. The supplier will be responsible for communicating with the third-party and issuance of purchase orders to begin the containment process.

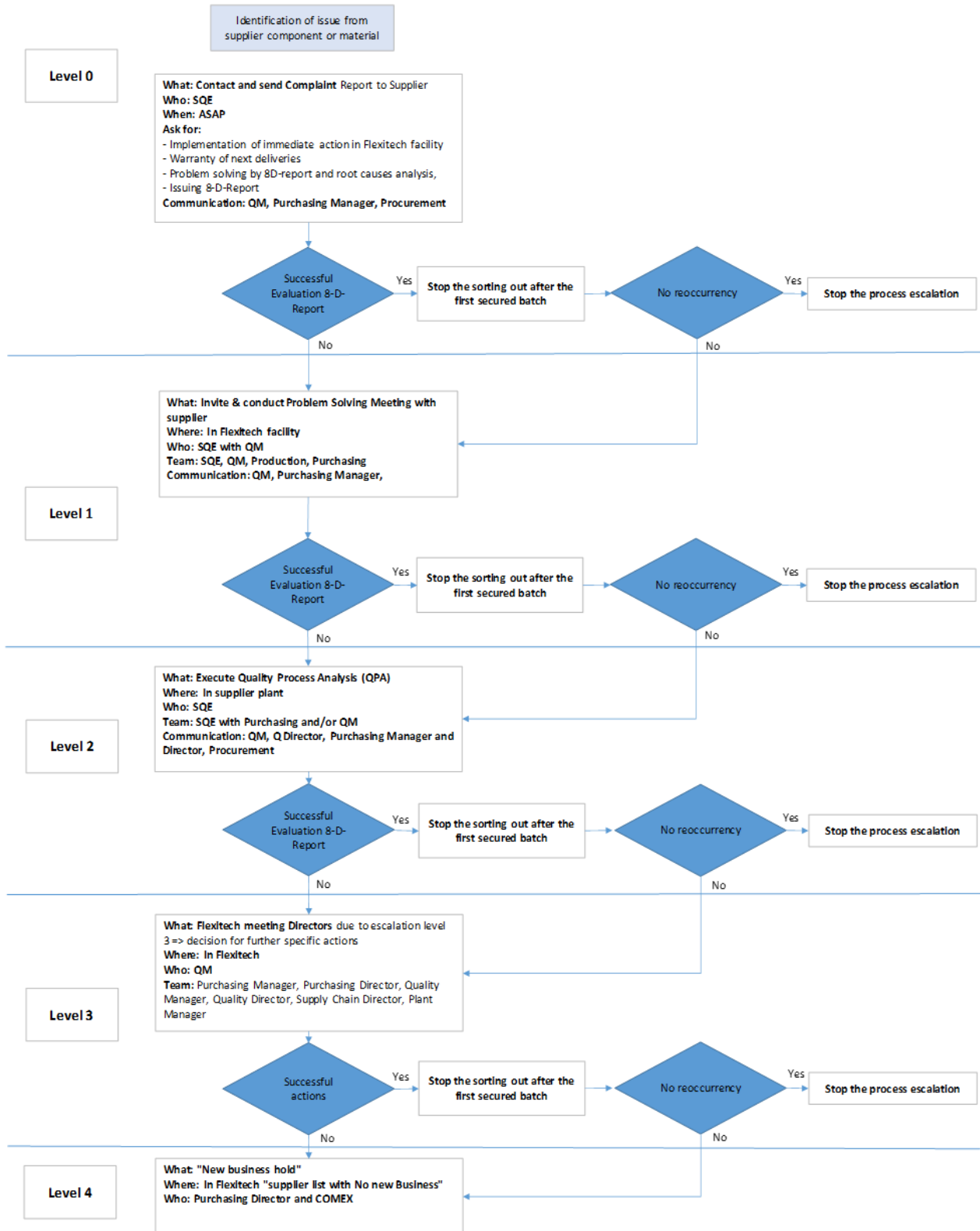
In the case of extreme production demand, Flexitech reserves the right to sort the product itself or commission a third party to do so on its behalf without supplier sorting approval. The supplier shall endure any costs that arise from this action.

Suppliers shall respond to Quality Concerns by the following reaction time:

- Immediately: acknowledge the receipt of the SCAR and initiate containment activities
- 24 hours: Implement containment activities internally and at Flexitech, this can be by the supplier and/or third party.
Delivering the 8D to Flexitech, beginning with Symptom and Emergency Response Actions (D0) through Interim Containment Actions (D3)
- 10 working days: Delivering the 8D with Root cause analysis is complete for both occurrence and non-detection, permanent corrective actions defined and implemented with supporting data.
- 20 working days: Effectiveness of permanent corrective action checked, and reoccurrence prevented

4.2 Escalation Process

A supplier failing to protect Flexitech from repeat incidents after reasonable efforts will be subjected to an escalation process. Based on the risk impact assessment for the Flexitech customer, some levels shall be bypassed. Flexitech intention is to develop Flexitech's suppliers towards improvements prior to degrading their status to New Business hold. Flexitech also reserves the right to inform the supplier's QMS registrar if problems are not resolved in a timely manner.



4.3 Supplier Performance (Monitoring and scorecard)

Flexitech Supplier Quality is responsible for obtaining corrective actions from suppliers. The purchasing team will become involved when the suppliers are not responsive to request, or corrective actions and overall deficient performance goes unresolved. The following Key Performance indicators will be monitored monthly.

The assessment criteria are as follows:

Items	Criteria		Score	Rating	Performance
Quality	• Product Conformity (# of claims issues)	0	20	A	100 ≥ 85
	• PPM	0	10		
	• Disruptions at Flexitech/customer including yard hold or stop shipments	0	10		
	• 8D timeliness on time	100%	5	B	84 ≥ 70
	• Warranty, field actions and recalls	0	10		
	• Special Status Customer Notifications	0	5		
	• APQP/PPAP on time	100%	10		
Delivery	• Performance to schedule (OTD)	100%	20	C	0 ≥ 69
	• Number of Premium freight occurrences	0	10		
			100		

Supplier scorecards will be issued to those suppliers per the criteria below. The criteria are based on the performance over a quarterly period with the inputs from below.

A rating, no action will be taken.

B rating, for two rolling quarters, Flexitech will complete a Risk Assessment to define proper actions if applicable. Those actions may be any of the following but not limited to issuance of a SCAR, an action plan, or a Quality Self-assessment with a defined action plan.

C rating, Flexitech will complete a Risk Assessment to define the proper actions for the supplier. Those actions may be but are not limited to Process Audit, issuances of a SCAR, an action plan, or a Quality Self-assessment with defined action plan.

For B and C suppliers Flexitech Purchasing will notify the supplier of their status and defined action expected from the supplier.

It is Flexitech’s strategic aim to only work in future with suppliers who receive an A-rating for evaluation criteria.

- Flexitech measured the Complaint performance by the calculation of the complaints number sent to the supplier during the reference period.
- Logistic performance

Flexitech requests 100% adherence to delivery dates from its suppliers with respect to the delivery date and quantities indicated in the purchase order and confirmed by the supplier, and the actual delivery date and quantities. The assessment criteria are as follows:

Complaint performance

Flexitech measures the Complaint performance by the calculation of the complaints number sent to the supplier during the reference period.

PPM performance

The supplier’s performance is measured in PPM (parts per million). This calculation takes into account the number of defective parts in relation to the total amount of delivered parts specified by Flexitech rules

$$\text{PPM} = \frac{\text{Number of defective parts} \times 1\,000}{\text{Number of parts delivered}}$$

On-time delivery (OTD)

$$\% \text{ On-Time Delivery} = \frac{\text{å (number of lines received at the right time and the right quantity)} \times 100}{\text{å (number of lines to be received on the same period)}}$$

4.4 Supplier Chargeback

When a quality, delivery, or APQP problem is reported and is proven to be the fault of the supplier the below sum is to be used in the calculated cost. The situation must work in accordance with the Supplier Chargeback procedure, which requires an agreement with the supplier, and the Purchasing team prior to attempting the cost recovery action. These charges are only to offset the cost incurred by Flexitech.

Potential Cost

Set category	Europe	Mexico	Brazil	China
Per incident administrative fee	US\$ 250	US\$ 250	US\$ 250	US\$ 250
Sorting by Flexitech	42 €/h	US\$ 25/h	R\$ 70/h	¥ 50/h
Production down time	up to 1000 \$/hour + Customer costs	up to 1000 \$/hour + Customer Costs	up to 1000 \$/hour + Customer costs	up to 1000 \$/hour + Customer costs
PPAP Noncompliance (late, not complete) agreement without action plan) per each presentation	US\$ 250	US\$ 250	US\$ 250	US\$ 250
Requalification noncompliance (late, not complete) per month late	US\$ 200	US\$ 200	US\$ 200	US\$ 200
Reoccurrence of the defect	US\$ 500	US\$ 500	US\$ 500	US\$ 500
No 8D sent (additional)	US\$ 250	US\$ 250	US\$ 250	US\$ 250
8D send after 10 days of due date or not complete 8D (additional)	US\$ 200	US\$ 200	US\$ 200	US\$ 200
Return of goods notification	US\$ 250 + transportation costs	US\$ 250 + transportation costs	US\$ 250 + transportation costs	US\$ 250 + transportation costs

Additional Potential cost

- Scrap/ all parts rejected due to nonconformance including finished goods
- Premium freight or related transportation cost
- Any customer charges to Flexitech including claim charges, yard hold, warranty, or recall
- Testing or revalidation
- Cost associated with unauthorized deviation from PPAP including process change

- including supplier responsible sub suppliers
- Travel expenses associated to customer or supplier

5 Materials and Logistics

5.1 General requirements

Suppliers shall design and manage their logistics processes to ensure on-time delivery of specified quantities to the Flexitech plant at the designated time. Suppliers shall be electronic data interchange (EDI) capable. Suppliers shall ensure that all material shipped is identified on a Packing Slip or Bill of Lading. Specifications may differ by Flexitech plant, but a minimum of the shipment date, packing slip number, address to and from, part numbers, part description, purchase order number, quantity ordered, quantity shipped, number of cartons/skids/containers shipped, and total number of cartons/skids/containers shipped, total weight. On-time delivery is fundamental and critical to the success of the supply chain. As such, it is a key component to supplier monitoring and an input for the supplier scorecard. A nonconformance will be issued with a request for corrective action for missing the ship schedule. Suppliers are to contact the Flexitech plant when the delivery plan fails or requires premium expedited freight.

5.2 Supplier Special Freight Charges Monitoring

The supplier must introduce a system for monitoring its supply performance. In the event of deviations from adherence to delivery dates and quantity stipulations, the supplier must note its own increased expenses, especially special, freight and packaging costs. The Purchasing department at Flexitech must be notified in writing of these extra costs on a regular basis. The supplier must identify the cause of these deviations, take immediate corrective action, and verify the effectiveness of this action.

5.3 Safety Stock

Fluctuations in demand have become common in the automotive industry. Suppliers are required to carry sufficient inventory to protect Flexitech and their customers from shortage situations and to accommodate 100% on-time delivery. Suppliers shall establish the minimum inventory required as protection against downtime or any identified potential capacity constraint such as labor disruptions, equipment failures, material lead-time, and capacity shortfalls.

5.4 Transportation

All suppliers shall understand and comply with materials entering from a foreign country and their Certificate of Origin requirements as well as CTPAT/PIP and FTA/Customs Compliance (applicable regions only). Shipments that cross FTA International borders shall also comply with standards outlined in ISO/PAS 17712

5.5 Material Management Operation Guideline (MMOG)

Suppliers are urged to complete the MMOG and seek compliance with the contained guideline. This is to reduce the time and work required by suppliers and their customers to define and implement an effective materials process. These guidelines require the supplier to complete a self-assessment and receive a rating based on their compliance. Deficiency in any critical area automatically requires the supplier to develop an action plan. Suppliers may be required to provide a copy of their MMOG Scoring Summary Results.

5.6 Packaging and Cleanliness

The packaging selected by the supplier influences the quality of the product and must therefore be checked during the feasibility analysis.

If necessary, test transportation runs should be conducted to check whether the selected packaging ensures consistent product quality and guarantees that all products can be delivered without damage or impairment of value.

The supplier is obliged to manage the manufactured products with care and to protect them against damage.

If no product-specific packaging is agreed with the Purchasing department at Flexitech, the supplier shall ensure that suitable packaging that complies with the latest safety and environmental regulations is used. The supplier must take the following factors into consideration when selecting packaging: the various transportation methods and the avoidance of quality risks caused by moisture, corrosion, and dirt.

The suppliers are committed to supplying the products without contamination and according to the state-of-the-art cleanliness level. Furthermore, it is the right of Flexitech that the Purchasing department demand specific cleanliness requirements. As a matter of principle, the suppliers must ask the Purchasing department at Flexitech if specific cleanliness requirements are existing. The method of testing for the cleanliness requirements is in accordance with ISO 16232.

5.7 Labeling

The delivered products and/or the containers must be labeled in such a way that they are easily identifiable and do not cause confusion or lead to mix-ups. Moreover, the Safety and Regulation symbol must appear on the label.



Safety (S) and Regulation (R) symbol

Batches must be kept separate or be delivered as individual production lots.

The state of completion and the inspection result must be clearly visible on all production lots and split lots. The material tags must comply with GALIA standard for FEU and AIAG for FMX or local standard for other sites.

The material tags, which may only deviate from the guidelines in GALIA or AIAG or local standard with the express authorization of the Purchasing department at Flexitech, must contain at least the following items of information:

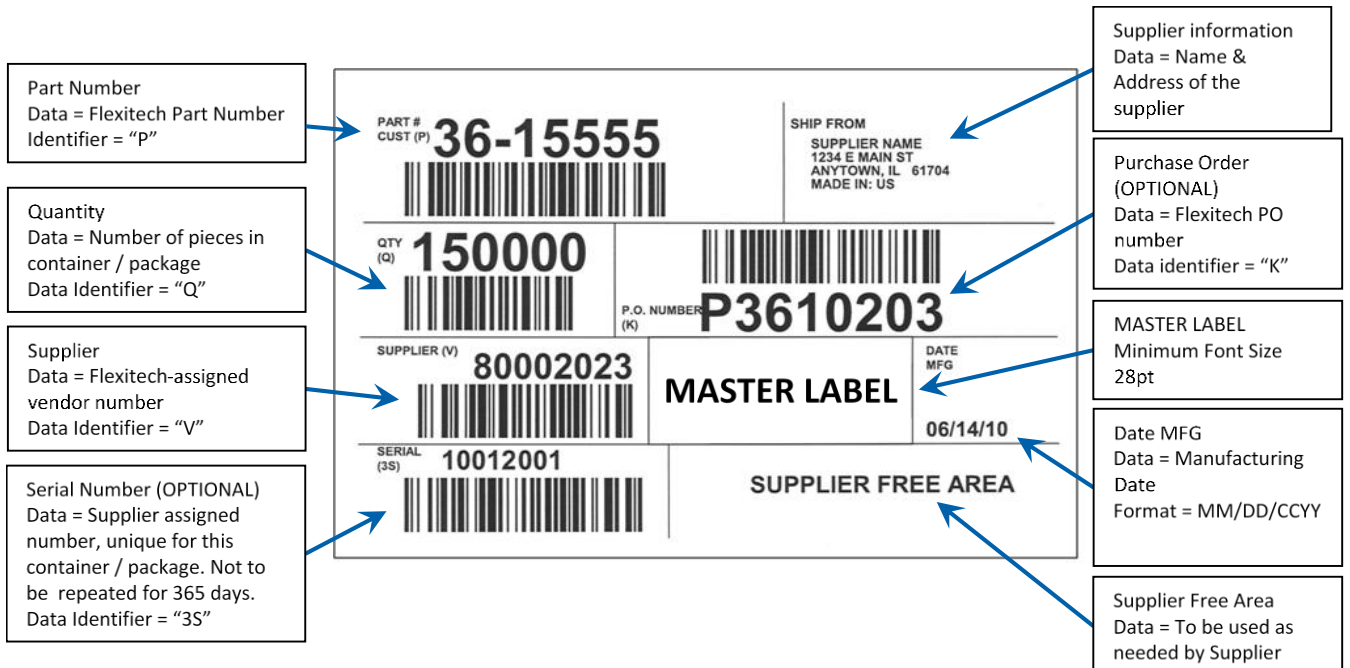
- Name of the consignee
- Place of unloading
- Delivery note number
- Supplier's address
- Weight
- Delivery quantity
- Description of parts
- Delivery date
- Lot/batch number
- Safety and Regulation symbol

6 Annex

6.1 Example for FMX labels



Master Label Example



6.2 Example for FEU & FMX labels

DESCRIPTION ETIQUETTE PALETTE UM			
Destinataire	FLEXITECH EUROPE SAS 293, RUE DES SAGNES F-42210 ST. ANDRE LE PUY	Lieu de livraison	Montrond Flexibles
Bon de livraison	20051510	Fournisseur	Roberto Castillón, S.A. Ctra. G-17 km. 17.800 Lliga de Vall - Barcelona
Référence Flexitech	737813870	Nb de colis par palette	305
quantité totale pour l'Um	21000	pooids brut	320
code fournisseur	7114000	pooids net	24
numéro d'étiquette	2	« Safety and Regulation » symbol	
		désignation du produit	MANCHON RAIDISSEUR
		référence du fournisseur	2073699
		date de fabrication	07.09.05
		numéro de lot du fournisseur	3122

DESCRIPTION ETIQUETTE COLIS UC			
NOM DU FOURNISSEUR			
Référence Flexitech	737813870	« Safety and Regulation » symbol	
Quantité par UC	1000	désignation du produit	MANCHON RAIDISSEUR
code fournisseur	7114000	référence du fournisseur	2073699
numéro d'étiquette	32	date de fabrication	07.09.05
		numéro de lot du fournisseur	3122

6.3 Example for FDB labels

TO: GENERAL MOTORS DO BRASIL		GENERAL MOTORS		FLEXITECH DO BRASIL	
TYPE: GETOFLEX		data: 07/11/2011		Nº DEC FISCAL:	
PART NAME: MANGUEIRA		FICHA: MANGUEIRA DE FREIO - C		CODIGO: Z00903589	
PART NUMBER: 93371886		DESIGN: 93371886			
QUANTITY: 96	REFERENCE: KANBAN	QNTIDADE: 96	CODIGO EMBALAGEM: 2.004		
CONTAINER TYPE: 2004	GROSS WEIGHT: 1KG	RTA FABR ICORR: 07/11/2011	NUMERO LOTE: 6.371		
MATERIAL HANDLING CODE: K3M02104	PLTIDOCK/STK: CK-D01-CJPE2	LOCALIZ:CRD:			
ENG.SPECS.DATE: 01-01-2001	LOT NO: 1	MEG.DATE: 14-04-2006	PARTS GOO INP TO: 01-01-2010		

6.4 Specific identification for Initial sample, for Prototype, for deviation

SUPPLIER / Fournisseur :		From / De : Tel : E-Mail :
INITIAL SAMPLE ECHANTILLON INITIAUX		
ATTENTION TO / A L'ATTENTION DE :	Reference / Référence:	Urgent Goods. Please forward immediately to the consignee and supplier quality department. <i>Pièces urgentes. Merci de prévenir le destinataire ainsi que le département qualité fournisseur.</i>
	Index / Indice:	
	Description / Description:	
	Date / Date:	

SUPPLIER / Fournisseur :		From / De : Tel : E-Mail :
PROTOTYPE PROTOTYPE		
ATTENTION TO / A L'ATTENTION DE :	Reference / Référence:	Urgent Goods. Please forward immediately to the consignee and engineering department. <i>Pièces urgentes. Merci de prévenir le destinataire ainsi que le Bureau d'Etude.</i>
	Index / Indice:	
	Description / Description:	
	Date / Date:	

SUPPLIER / Fournisseur :		From / De : Tel : E-Mail :
DEVIATION REQUEST N° DEROGATION N°:		
ATTENTION TO / A L'ATTENTION DE :	Reference / Référence:	Urgent Goods. Please forward immediately to the consignee and supplier quality department. <i>Pièces urgentes. Merci de prévenir le destinataire ainsi que le département qualité fournisseur.</i>
	Index / Indice:	
	Description / Description:	
	Date / Date:	

7 Glossary of Terms

8D approach	A systematic approach to solving problems and introducing and implementing suitable corrective measures.
APQP	Advanced Product Quality Planning describes the eponymous process that satisfies the requirements and guidelines of carmakers.
Certification	This is the procedure by which an entity receives a certificate from a non-biased third party once the entity in question has successfully completed a procedure.
Cp / Cpk	Process capability index
“Critical characteristics”	“Critical characteristics” are the product characteristics and production process parameters which, when well scattered, have a major influence on safety or compliance with relevant, legal regulations.
FDB	Flexitech Do Brazil
FEU	Flexitech Europe SAS
FMX	Flexitech Automotive México
MSA	Measurement System Analysis is the name of the process used to analyze measurement systems.
OEM	Original Equipment Manufacturer
PPAP	The Production Part Approval Process is used to prove whether a product can reliably be produced with the defined properties.
Pp / Ppk	Provisional process capability index
Significant Characteristics	“Significant characteristics” are the product characteristics and production process parameters that have no influence on a safety function or legal regulations. Large scatterings of the special characteristics can, however, have a major influence on the suitability, functionality, assembly, and external appearance of the products.
SPC	Statistical Process Control is the term used to describe a procedure based on statistical methods that is used to technically evaluate production processes and products.

8 Revision Table

Rev.	Date	Contents of Revision	Editor	Approver
0	09JULY2024	New release for Global	D Williams	F Burnel
1	8/20/2024	Update sorting cost, update symbol in performance	D. Williams	F. Burnel
2	13 JAN 2025	Updated score card	D. Williams	F. Burnel



9. Supplier acknowledgement and acceptance of Flexitech Global Supplier Quality Manual (GSQM).

The supplier's management personnel referenced below shall print this page, sign the applicable area acknowledging receipt of this manual and accept the conditions stated herein.

Supplier Name

Quality Manager (print)

Signature

Date

Executive Operations Manager(print)

Signature

Date

Flexitech prefers that each supplier E-Mail the above declaration to your respective Supplier Quality Engineer or Purchasing Manager.