

SUPPLIER MANUAL



Tape and Label

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1.0 ASSESSMENT, AND DEVELOPMENT OF SUPPLIERS

1.1 Approved Supplier List

1.1.1 Suppliers that provide materials and services that directly impact the quality of the products supplied by ATL to its customer base must be approved by *Quality and Purchasing* prior to the use of their products or services in production. Suppliers will be selected on their ability to meet ATL's requirements. *Requirements include, but are not limited to –*

- Risk assessment of supplier's ability to provide conforming product on time
- Evidence/evaluation of supplier's quality management system
- Available capacity to provide materials without interruption
- All suppliers providing material to an automotive customer, MUST be at a minimum certified to ISO9001.

Such raw material Suppliers appear on the Supplier List to indicate their status. Customer designated sources must also be approved, or requirements waived by the Customer, prior to purchasing products or services for production use. ATL Buyers purchase products and services that affect ATL production product quality from Suppliers that appear on the Supplier List.

1.1.2 ATL personnel that identifies a new need for a material or service, initiate the communication with the accounting department. **A new Supplier is required to complete the forms from accounting in order to be approved and added to the Supplier List.**

1.2 Supplier Profile

1.2.1 **Accounting forwards** both a W-9 and QF-097 form to the potential new Supplier for completion.

1.2.2 The Supplier Profile is to be completed as requested and returned to the originator by the requested date. It is expected that Supplier will use a multi-disciplined approach to complete the profile. If questions are not applicable, indicate as such with "N/A."

1.2.3 The completed profile copy of the Supplier's W9 and proof of general liability/worker's compensation insurance (for those Suppliers that provide service in ATL's facility) will be kept on file. It is the Supplier's responsibility to forward a new Supplier Profile when any of the information included on the **original form** changes. It is also the Supplier's responsibility to provide updated and current ISO9001 certifications to ATL.

2.0 PERFORMANCE MONITORING AND SUPPLIER DEVELOPMENT

2.1 Monitoring Methods

2.1.1 **Quality performance** will be monitored by tracking nonconformances (NC) issued to the supplier. A NC is issued for noncompliance to product specifications, requirements as stated in this Manual and/or on a Purchase Order, or Customer disruptions including field returns as a result of a Supplier's quality issue. **The requirement for quality performance is 100% (Zero Defects).**

2.1.2 **Delivery performance** will be monitored by compliance to shipment due date(s) and quantity accuracy from receipts. Performance data will be captured in monthly score-cards. The Buyer must approve any deviations from timeliness and quantity accuracy requirement(s). A grace period of +/- two days will be given. **Delivery performance requirement is 100%.**

- 2.1.3 **Service** includes, but is not limited to, timely response to Buyer requests for information, packing slip accuracy, complying with packaging requirements, P.O. acknowledgement timeliness, timely submittal of SDSs, material certifications and PPAP timeliness when required. **Administrative accuracy goal is 100%.**
- 2.1.4 ATL's Purchasing and a Quality Representative will monitor unsatisfactory Supplier performance with the possibility of the following steps being taken:
- Corrective actions submitted as requested and monitored for compliance.
 - Meeting with the Purchasing, and/or Quality Representative to issue time-line of completion for required corrective action.
 - On-site supplier survey/audit, as required.
 - Notice of placement on **Controlled Shipping 1 (CS1)**, which requires 100% inspection of all product prior to shipment to ATL.
 - Notice of placement on **Controlled Shipping 2 (CS2)**, which requires 100% inspection by a 3rd party auditor, agreed to by ATL, prior to shipments. This expense will be borne by the Supplier.
 - Notification to Supplier of product de-sourcing due to continued non-compliance.

2.2 Development Methods

- 2.2.1 Suppliers are expected to conform to ISO 9001 with the goal of certification to either ISO 9001 or IATF 16949. Suppliers are expected to notify ATL of any significant changes in facilities, operations or management, which will then be assessed for impact on the development of ATL and its customers' requirements within the supplier quality assurance process. Suppliers are to notify ATL of any of the above changes ***within 90 days*** prior to implementing the changes. (This allows ATL to verify our customers of these changes and to accommodate their needs).
- 2.2.2 **Suppliers who supply components are required to provide a material certification with every shipment.** This ensures ATL that each time a new lot of raw material is produced meets the specification order against and gives ATL documentation if needed to trace back to the raw material.

3.0 DOCUMENT CONTROL AND RECORD RETENTION

3.1 Control of Specifications

- 3.1.1 Specifications controlled or originated by ATL concerned with its supply of product or services will be forwarded to the Supplier. Acknowledgement in writing of such specifications must be returned to the initiating party within ATL.
- 3.1.2 A specification noted on drawings and/or sketches supplied by ATL and subsequent specifications referred to within the body of those specifications, must be obtained by the Supplier directly from the controlling authorities (i.e. ASTM, SAE, etc.).
- 3.1.3 All Suppliers must have a documented system in place for obtaining all required specifications. The Supplier must address annual verification of adherence to required specifications. It is the Supplier's responsibility to provide the results of annual compliance testing to ATL's Quality Representative upon request.

3.2 Control of the Supplier Manual

All Suppliers must have a documented system in place for receipt, control, and acknowledgment of all issues and revisions of the Supplier Manual.

3.3 Record Retention

Suppliers are expected to maintain accurate records that show ATL and its Customers that conformance requirements are being met. Documented procedures must be in place defining responsibilities for record control. Legal or government requirements prevail.

4.0 PACKAGING / LABELING / TRANSPORTATION

4.1 Packaging Requirements

When specific packaging is required, ATL must approve all packaging. Approval is required for mutual decision on packaging type (i.e., returnable, expendable), carton size, carton quantity, and pallet quantity. No changes can be made to existing packaging without prior approval from ATL. All expendable packaging material should be recyclable.

4.2 Packing Slips

ATL requires only one (1) copy of the packing slip. If a duplicate is requested or sent it must be clearly marked "DUPLICATE".

The packing slip must be attached to the shipment in a visible spot.

The quantity shipped must be as per ATL's unit of measure as indicated on the release or purchase order.

The packing slip must be neat and legible and include the following information **(Note: if all information is not found on the packing slip, additional info will be on the invoice or COA):**

- Date Shipped
- Ship Via
- Purchase Order Number
- Argent Part Number
- Lot Number(s)
- Total Quantity for Each Part Clearly Identified
- Indicate whether Freight is Prepaid or Collect

4.3 Bill of Lading (As Required via Truck)

The Bill of Lading must include the following information:

- Total Number of Containers Shipped
⇒ *EXAMPLE OF CONTAINERS SHIPPED:*
20 ctns on 1 skid or 1 skid @ 20 ctns
50 ctns on 3 skids or 2 skids @ 20 ctns ea + 1 skid @ 10 ctns
- Number of Cartons Per Skid and/or the Number of Loose Cartons
- Total Weight
- Indicate whether freight is prepaid or collect.

4.4 Container Labels, Core Tags

4.4.1 Each container must be labeled (this also includes any items not in cartons such, bundles, drums, etc.). Materials provided on master rolls must have at least one core tag.

Labels or tags must include, at a minimum, the following information:

- ATL Part Number
- Description
- Quantity
- Unit of Measure (UM)
- Lot Number

4.4.2 Trial material must be clearly identified by Purchase Order Number and the appropriate personnel to whom it is to be delivered.

4.5 Pallets

All pallets must meet the following specifications:

- Must be banded and/or stretch wrapped
 - ⇒ Boxes or rolls must fit on pallet, without any overhang. Also, pallet height limit is 48", unless otherwise authorized.
- "DO NOT STACK" sticker affixed, if applicable
- 4-way entry pallets are preferred.
- 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)
- Do not mix RH/LH, FRONT/ REAR or programs together, unless otherwise authorized.

4.6 Hazard / Non-Hazard Chemical Requirements

4.6.1 A Safety Data Sheet (SDS) **must** be submitted to ATL prior to first shipments from all Suppliers and marked to the attention of ATL Purchasing. Hazardous materials supplied to ATL **must** comply with all environmental regulations. All materials that contain conflict minerals must be from conflict-free sourcing. Suppliers having ISO 14001 certification will be given preference over those that don't.

4.6.1.1 Please note if an SDS is updated by the supplier, the updated SDS **MUST** be sent to ATL.

4.6.2 Where required, Material Certifications should accompany each shipment or emailed to ATL Quality.

4.7 Nonconformance

4.7.1 A nonconformance (NC) may be issued for noncompliance with any of the above specifications. Nonconformances from any supplier will get processed through our Plex system under the problem report function. (Note: QF-003 can also be used to issue a NC, if Plex system is down). If you do not agree with the discrepancy, you must notify the issuing party in writing within 48 hours from receipt. If outside testing is required to determine the failure and it is determined to be a Supplier related issue, cost for the testing will be forwarded on to the Supplier. A \$250 administration fee may be assessed for each NC issued by Argent to defray expenses resulting from managing Supplier related quality issues. Recurring non-conformances **may** require a corrective action presentation at ATL's facility.

4.8 Transportation

4.8.1 Many materials are purchased at delivered prices. If ATL pays the freight, specified truck lines along with customs and brokerage information, if required, shall be detailed on the purchase order. Ship only by specified truck line unless otherwise authorized. Please forward any questions, comments, or suggestions about your authorized carrier to your Buyer.

4.9 Date Required

4.9.1 ATL's material due dates are due "in house" dates. Contact your Buyer regarding any questions you may have with your schedule(s).

4.9.2 If for any reason you are unable to ship as scheduled or you experience quality problems that affect ATL's materials, you must inform your Buyer immediately! Past due requirements or defective material could result in line shut downs at our customer's facility. It is your responsibility to inform us of any concerns related to your ability to supply quality parts as ordered.

4.10 Delivery/Quality Problems/Downtime Costs

4.10.1 If past due parts or defective materials are deemed the fault of the Supplier, the Supplier will bear the cost of all expedited freight required to ATL's requirements. It is the supplier's responsibility to automatically expedite should the Supplier foresee or incur a past due situation. The Supplier will also be liable for all costs associated with downtime at ATL and/or downtime costs billed to ATL by its customer.

4.11 Receiving Window Times

ATL is staffed to receive between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday. Receipts at any other time must be arranged and approved by your Buyer.

4.12 Excess Transportation Charges

Excess transportation costs may be debited back in full to the Supplier for reasons such as:

- 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

Charges will be debited back in full and will not be adjusted against normal freight charges.

Excess freight or labor costs that ATL may incur in order to meet our deliveries are not passed on to our customer, no matter the circumstance. Because of this, we require our Supply base to provide the same level of flexibility and support.

5.0 PURCHASING

5.1 Conditions of Business and Purchase Orders

- 5.1.1 ATL purchasing information will be transmitted to the Supplier in the form of a Purchase Order (P.O.). The P.O. will describe the ordered product(s) and/or service(s) including, where applicable:
- Precise identification, including name, part number, type, size, internal part number, quantity, price, etc.
 - Title and issue of relevant standards, specification, drawings, process requirements and other such data.
- 5.1.2 As a condition of business, all Suppliers must be prepared, on request, to provide any information required by ATL to substantiate the capacity to provide the necessary products, commodities and services. This includes, but is not limited to, technical capability systems/procedures to evaluate key product characteristics, price structure, and financial information. In addition, the Supplier must be prepared to provide proactive initiatives such as cost reduction proposals and recycling programs to ATL.
- 5.1.3 The extent of the purchase contract and order of precedence shall be:
- I. Compliance with all relevant local, state and federal government legislation with special emphasis on hazardous waste and other environmental requirements.
 - II. Purchase Order terms and conditions.
 - III. Requirements as stated in this Supplier Manual **which can be found on ATL's website.**
 - IV. Any additional requirement(s) specified in writing by ATL.
- 5.1.4 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.
- 5.1.5 All Suppliers shall have documented procedures for assessing, selecting, monitoring, and developing their Suppliers with adherence to a continuous improvement philosophy geared to complete customer satisfaction and cost reductions.
- 5.1.6 Suppliers must submit all quotes in writing including their desired lead-time, required minimums, and standard packaging.
- 5.1.7 ATL 's standard payment terms are called out on each invoice.
- 5.1.8 It is recommended that Suppliers establish and implement an Advance Product Quality Planning process. This should include the use of a multi-disciplinary team to prepare for production of new or changed products. It is recommended that the supplier use appropriate techniques identified in the AIAG Advance Product Quality Planning and Control Plan reference manual or similar techniques that accomplish the same intent.
- 5.1.9 ATL expects all Suppliers to manage their business for cost control. ATL's end customers, at a minimum, expect firm pricing for the life of their programs and some even mandate cost reductions with time and volume. ATL expects the same from its Suppliers. Suppliers benefit from ATL's participation in the markets it serves, they must bear the burden of cost control and reduction as well. ATL requires a minimum of 45 days notice for price change requests. All such requests must be accompanied by price control options.

6.0 REQUIREMENTS SCHEDULING

6.1 Scheduling

- 6.1.1 Raw material may be ordered by issuance of discrete purchase orders or releases under a “blanket” purchase order.
- 6.1.2 Ship only quantities released unless other arrangements have been authorized by your Buyer. Over shipments may be subject to return at Supplier’s expense and without receipt of a return material authorization.
- 6.1.3 Suppliers who are unable to meet all ATL requirements for delivery date, time, quantity and quality as requested must notify their Buyer 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 (see section 4.9.1, Delivery/Quality Problems/Downtime Costs).

6.2 Contingency Planning

It is recommended that the Suppliers have a contingency plan in place (utility interruption, labor shortages, key equipment failure, etc.) to reasonably protect ATL’s supply of product in the event of an emergency. A copy of the Supplier’s Contingency Plan may be requested to have on file by your Buyer.

7.0 PROBLEM REPORTING AND RESOLUTION

7.1 Notification from Supplier

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

- I. Quality
- II. Delivery
- III. Other

Contact your Buyer or ATL’s Quality Representative immediately! Contact by telephone with a follow-up in writing by fax or email is expected for emergency issues.

- 7.1.2 Notification of ATL must be followed up by:

- Immediate action within 24 hours, new material, etc.
- Long term corrective action (8-D, or similar response format used) to be forwarded within 7 calendar days, unless otherwise directed sooner.

7.2 Notification from ATL

- 7.2.1 In the event that ATL personnel identify a non-conformance exists in the areas of:

- I. Quality
- II. Delivery
- III. Other

ATL Quality personnel will initiate a nonconformance as it relates to quality issues. The supplier has 24 hours from receipt of a nonconformance notice to respond with a disposition of the defective material. After 48 hours passes with no response, ATL reserves the right to scrap the material and charge the Supplier back in full for the defective material. ATL’s Quality Representative will be the main point of contact for

quality problems and resolution. If the problem affects delivery, then the Buyer must be notified immediately as well.

Delivery and quality problems will negatively affect the Supplier's monthly performance rating. Continued problems could result in de-sourcing (see section 2.0, Performance Monitoring and Supplier Development).

7.2.2 Notification by ATL shall be followed up by:

- Immediate action within 24 hours, new material, etc.
- Long term corrective (8-D, or similar response format used) to be forwarded within 7 calendar days, unless otherwise directed sooner.

7.2.3 ATL reserves the right to send the appropriate Purchasing and/or Quality Department representatives to visit the Supplier's production facility to establish 100% compliance and ensure that corrective action has and is currently taking place.

7.2.4 ATL's Customer must also have the right to accompany any ATL representative(s) into the Supplier production facility for 100% compliance and to ensure that any corrective action has and is currently taking place.

8.0 INTERNAL AUDITS

8.1 Supplier Internal Self-Audits

8.1.1 Suppliers are expected to conduct regular internal audits to ensure that internal systems and procedures which have been implemented in order to assure that Customer requirements are being met, are in effect, are meeting goals and objectives, and are subject to a continuous improvement mode.

8.1.2 Internal audits should wherever possible, be conducted by personnel who are independent of the organizational or functional activity that is being audited.

8.1.3 Documented procedures should be in effect for the internal audit, indicating:

- Audit system review for effectiveness from use of continuous improvement analysis.
- Defined responsibilities for personnel conducting the audit.
- Content/questions within the audit.
- Audit frequency
- Follow-up procedures to track and confirm that any requests for action are confirmed as completed with respect to deficiency corrections.

8.1.4 Internal audits showing follow-up activities are to be maintained on file for one year and are to be available for review, upon request by ATL.

8.1.5 Audit Review(s) may be performed anytime a Supplier falls within the unsatisfactory supplier performance guidelines as established in Section 2.0 of this Manual.

9.0 SAMPLE SUBMISSIONS

9.1 General Requirements

9.1.1 A sample submission package may be required for approval of prototype, production materials and/or requested material changes.

- 9.1.2 Unless otherwise instructed in writing, all submissions for part approval must conform to the requirements as specified in the AIAG manual "Production Part Approval Process" unless waived by ATL's Quality Representative.
- 9.1.3 All submissions for production part approval must include the requirements as specified for a Level 3 submission, unless otherwise instructed.
- 9.1.4 Suppliers shall be responsible for costs incurred by ATL associated with the expedition of testing, missed schedules, etc. resulting from late or incomplete submissions.

9.2 Specific Requirements

- 9.2.1 Part submission warrants must be filled out completely, indicating ATL's part number(s) that are being submitted.
- 9.2.2 Laboratory testing must be conducted by an accredited facility (eg; ISO / IEC Guide 25). A copy of this accreditation with scope of testing must be included with the submission.
- 9.2.3 An appearance approval report, if required, must be completed. On occasion, the supplier may be requested to obtain end customer appearance approval directly. Suppliers will be notified accordingly.
- 9.2.5 Significant characteristics must demonstrate preliminary process potential and capability indices of 1.67 or greater. Long term process potential and capability indices must be 1.33 or greater.
- 9.2.4 All packages must identify whether reportable chemicals are contained in the materials/ components or not. Restricted and reportable chemicals contained in the raw materials and parts used in the manufacture of supplied components must be identified and reported.
- 9.2.5 Please direct all material certification questions to ATL's Quality Representative.

10.0 LOT TRACEABILITY

10.1 Traceability Requirements

- 10.1.1 All suppliers must ensure lot traceability on all materials and components. Please contact ATL's Quality Representative for traceability requirements.

Supplier Sign-Off

Printed Name

Signature

Date

Revision History

Revision	Section	Description	Date
Initial	All	Establish Manual	10.23.2014
A	1.1.1	New Supplier Requirements	10/2/17
	4.6	Change MSDS to SDS	10/2/17
	2.2.1	Added IATF 16949	10/2/17
B	All	Added/updated details throughout the manual	8/20/19
C	All	Added/updated details throughout the manual	1/1/2021