

Global Supplier Quality Requirements Manual

**For use with current editions of
IATF: 16949:2016 & ISO 9001:2015**



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INTRODUCTION

Dear Flex-n Gate Supplier,

Enclosed is the current release of Flex-N-Gate Global Supplier Quality Requirements Manual. The purpose is to communicate our requirements, which are typical of the automotive industry, and to standardize our supplier expectations. This manual does not alter or reduce any other contractual requirements covered by the purchasing documents or requirements of engineering drawings or specifications.

The scope of this manual applies to all external suppliers and sub-suppliers of products and services received by our FNG manufacturing locations including any supplier that is Customer Directed. The manual does not apply to internal FNG plants acting as a supplier, shipping product or services into other FNG locations.

Quality System Requirements: Suppliers are required to be third party registered to current edition IATF: 16949 or ISO 9001:2015, unless otherwise approved by FNG Purchasing. A copy of the registration certification shall be provided at a minimum annually and after change in registrar or status. If a supplier has a Special Process as defined and recognized by AIAG, the supplier shall also adhere to the CQI standard and indicated requirements.

If a supplier is sourced that does not have certification to the aforementioned requirements the supplier could be subjected to heightened assessments and additional testing requirements. For said suppliers, FNG encourages compliance to MAQMSR (Minimum Automotive Quality Management System Requirements).

The requirements as detailed in this manual define basic requirements and are supplemental to specific requirements as defined by the OEM Customer and program APQP team. Suppliers are to recognize all program Customer Specific Requirements, including but not limited to the following: Ford, General Motors, Stellantis, Honda, Audi, BMW, Volkswagen (PBS, Formel Q, and VDA 6.3 & VDA 6.2), Toyota, Peugeot, Volvo, Mercedes, Renault and Nissan.

** It is the responsibility of the supplier to work in accordance to the most recent revision of the Global Supplier Quality Requirements Manual as found on the Flex-N-Gate website. There, suppliers can also locate and obtain other key documents such as the FNG Terms and Conditions of Supply.*

Regards,

Flex-N-Gate Purchasing

1.0 - GENERAL SYSTEM REQUIREMENTS

1.1 Quality System Registration

Suppliers are to maintain their QMS registration and have evidence of compliance available upon request. In the instance where a supplier loses or has their registration suspended, they are to immediately communicate to both FNG Purchasing and all FNG plants receiving product or services. In such instance, the supplier must provide an action plan, for review and approval within 30 days of losing certification. The approved action plan must reflect detailed timing of the registration process.

1.2 Supplier Quality Assessments

FNG will require suppliers to participate in conducting witnessed or self-assessment audits to ensure the quality of the product or process.

Frequency and type of assessment will be dependent on assessed supplier risk and key performance indicators tracked by the receiving FNG plant.

Where applicable, suppliers will be required to comply with customer specific required technical audits.

1.3 Suppliers of Special Processes (CQI)

FNG suppliers that provide special processing that fall under the directives identified in the AIAG CQI Assessments are required to complete and submit the appropriate assessment to FNG at required frequency. Suppliers are to ensure that their external suppliers also complete and maintain compliance. For instance, fastener suppliers that outsource heat treat or coating or plating.

Note: Additional assessments may be required per customer-specific requirement or if key supplier performance indicators indicate a risk level warranting a change in frequency or type. This may include additional testing from an approved third party laboratory at the supplier's expense.

1.4 Sub-Supplier Management

FNG suppliers are responsible for the quality and delivery of their supplier's products and services. Suppliers shall manage their supply base and have documented evidence-targeting alignment with the standards set forth within the automotive quality management standard IATF: 16949.

Documented approval for part or service shall be retained for life of program for all sub-suppliers and made available to FNG 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.

FNG reserves the right to carry out process approval at the sub-supplier in instances of major risk or problem to FNG 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 (8.5.6 of IATF: 16949)
2. Control of Non-Conforming Outputs (8.7 of IATF: 16949).
3. Nonconformity and Corrective Action (10.2 of IATF:16948)

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

1.5 Process Change Control & Notification

FNG requires early notification and consent prior to any process, product or material changes in compliance with PPAP requirements. Such notification includes when either the supplier process or product is temporarily running in a deviated status from the PPAP on file. Temporary deviations shall be submitted with alternative controls put in place to mitigate risk associated with the temporary condition. Deviation requests shall be documented and submitted on the Supplier Change Request form (CPUF.00012) and may require the end customer approval. Furthermore, the supplier is to ensure all sub-tier suppliers adhere to the same requirement resulting in full notification and approval from FNG of sub-supplier changes.

Suppliers are also to notify FNG and submit for part approval prior to the first production shipment. This applies to all situations identified in the current version of the AIAG PPAP Manual Section 3- Customer Notification and Submission Requirements. FNG may waive some of the requirement; when this happens, the supplier must nonetheless review all items in the PPAP file and update them as necessary to reflect the new process.

1.6 Contingency Planning

Suppliers shall develop a documented contingency plan for potential catastrophes disrupting product flow to FNG and advise FNG in writing at the earliest opportunity. Contingency plans should effectively prevent failure of the supplier to deliver product within the terms of the contract in the event of an emergency such as utility interruptions, labor shortages, key equipment failure, and field returns. Contingency plans should include strategic inventory to mitigate risk of disrupted supply.

Contingency plans that include utilizing other process streams are required to go through the production part approval process (PPAP). It is preferred to PPAP other streams prior to needing and in advance.

Specifically, suppliers and their supply base with collective bargaining agreements are responsible for communicating contract expiration dates and developing contingency plans six months prior to the end of the contract agreement. Incorporating bank builds and approving alternative sources can be considered with FNG authorization.

1.7 Traceability

Suppliers and their sub-suppliers shall have an effective lot traceability procedure to manufacturing date and shift. FIFO is mandatory. Suppliers are to ensure the intent is to have full traceability throughout the entire supply chain back to the raw material. Retrieving lot traceability information must be in accordance with the automotive corrective action norm 24-hour response time frame. No delay should occur with communicating lot size, finite quantity, date and shift of manufacturing. Understandable product traceability should target not to exceed eight hours or one day of production, at a maximum.

It is recognized that certain commodity-based materials can provide large durations of production. In these instances, additional traceability measures must be used to narrow the exposure of a nonconformance. Sequence of these lots must be identified on the packing label by either a date code

or lot/batch number with the purpose of understanding date and shift.

All suppliers are urged to comply with AIAG CQI-28 Traceability Standard.

1.8 General Regulatory & Compliance

Formal and contractual details for supplier compliance obligations are to be located in the FNG's Terms and Conditions with current revision located on the FNG website along with other key supplier documents.

1.9 Exchanges of Design Record-CAD/CAE modeling

Control of design in development and throughout serial life supplier usage of FNG's PLM DTR system module is required. Seek direction and request through the Engineering contact. Your company's assigned data transfer coordinator will receive an email from the FNG PLM DTR module notifying them with log in credentials.

1.10 Required References

Suppliers are responsible for obtaining and working in accordance with the following automotive industry standard tools and procedures:

- Advanced Product Quality Planning (APQP)
- Statistical Process Control (SPC)
- Measurement System Analysis (MSA)
- Failure Mode and Effects Analysis (FMEA)
- Product Part Approval Process (PPAP)
- IATF 16949: 2016 and/or ISO 9001: 2015 and ISO 14001 : 2015
- Program and commodity applicable Customer-Specific Requirements
- CQI-Special Process Assessment

2- Product/Process Development & Part Approval

2.1 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.

Submission of a documented 2.1 PPAP Significant Production Run (R@R) as capacity verification to the contracted volumes is required prior to PPAP approval.

Key characteristics is a product characteristic (material, dimension, performance) or a process parameter whose variation can affect 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 drawings, the process flow diagrams and the control plans and all engineering documents. Pass-through characteristics are to be specifically identify in the PFMEA and all characteristics are to be effectively controlled.

2.2 Submission Requirement

PPAPs are to be approved and submitted electronically to the FNG receiving plant with a target completion of 30 days prior to FNG's first material requirement due date (MRD) at the OEM customer. Actual PPAP due date will be given by each FNG plant. Submission date must have additional timing consideration, if part has required appearance standards needing the customer approval. All PPAPs must be AIAG compliant with a default Level 3, unless specified otherwise by the FNG plant.

At a minimum, prior to production launch any parts shipped to FNG must have criteria agreement with the plant, certificate of origin, dimensional layout, material test data and material certifications and evidence of special consideration of any pass-through characteristics; unless otherwise authorized.

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

1. Full approval indicates that the part or material meets all specifications and requirements. The supplier is authorized to ship product. Supplier can invoice for tooling when they achieve full PPAP approval unless other agreements have occurred with the Buyer.
2. Interim approval permits shipment on a limited time or piece quantity basis. A documented action plan is expected to address meeting full approval.
3. Rejected means, that the submission, does not meet the specifications or requirements. The FNG plant will state the reason(s) for rejection on the PPAP warrant and return. A corrected PPAP must be submitted and approved prior to following shipments or authorized deviation given.

Suppliers shall always work towards approved PPAP samples, AAR samples, Master plaques or Boundary samples. Disposing of said items requires FNG authorization.

Furthermore, suppliers shall be responsible for obtaining and ensuring master plaques and samples used in production validation are current and maintained. Process test masters, "red rabbits" and poka-yokes are to be utilized in accordance to the design record, automotive best practices and PFMEA. A documented maintenance procedure is required capturing all process test masters to ensure effectiveness.

2.3 Customer Specific Requirements

Suppliers must practice and understand all applicable OEMs' customer specific requirements. CSRs must be identified on their control plan and PFMEA. Suppliers are expected to find CSR on OEM authorized web sites or proactively contact the Flex-N-Gate receiving plant.

2.4 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.

1) Annual Part Verification/Validation

Suppliers are to complete and retain documentation of a part layout for every year of production. FNG reserves the right to request and obtain proof of annual validation. In addition, suppliers are required to provide annually evidence of compliance:

- QMS certification status (IATF/ISO/VDA or other)
- CQI Special Assessments, including sub-suppliers
- Pre-Award Survey, with at a minimum key contact list.
- Certificate of Origin
- Where applicable, Customer-Specific Assessments (i.e., PPA, Q1, MMOG, BIQS, FEMR etc.)

2) Raw Material Certifications

A completed Certificate of Analysis (COA), which includes the engineering specification number, must be provided for every lot and shipment. The COA must contain the actual physical or testing measurement per the OEM customer engineering specification. When requested, SPC data will be provided with each shipment. A copy of the actual physical or testing measurements detailed in the OEM specification must be maintained on file at the production location and available upon request.

Provide material documentation data for entry in one of the below applicable systems:

International Materials Data System/IMDS and End-of-Life Vehicle/ELV. Product material content, recyclability, weight, life cycle assessment, shelf life and other applicable information area to be reported via IMDS. The End-of-Life Vehicle (ELV) Directive minimizes environmental impact. And as reminder, the use of hexavalent, cadmium, mercury and lead are prohibited in vehicles and their components, which FNG strictly enforces.

2.5 Product with Embedded Software

If product is provided with embedded software, you must have a process for software quality assurance. You must demonstrate software capability self-assessment through the development of your FMEA and for all risks and failure modes identified. Your process Control Plans must demonstrate the proper quality controls to mitigate failures.

2.6 Statistical Process Control

Suppliers will provide evidence of control and on-going capability in accordance with the agreed upon and approved PPAP. SPC monitoring is required where our plant deems applicable for prototype, preproduction trial runs, PPAP and continuous improvement monitoring.

Minimum initial process capability values are:

>= 1.33 Cpk minimum

>= 1.67 Cpk may be required and should be targeted for significant and critical characteristics.

Long term process study capabilities must be:

>= 1.67 Ppk minimum

Required processes must be in statistical control and quality characteristics must be normally distributed. Significant characteristics (SC) and critical characteristics (CC) capability must be demonstrated by providing reports that include a histogram, control charts and normality test. Reference latest edition of AIAG Statistical Process Control (SPC) manual. The FNG plant will approve any exceptions to the above requirements.

2.7 Tooling

The supplier is expected to follow FNG Standard Terms and Conditions of Supply specifically, section Buyer’s Property Information for handling of FNG and customer- owned assets. Suppliers are responsible for good stewardship of all tooling, maintaining tracking and identification and implementing adequate preventive maintenance. Relocating, disposing or destruction will only occur with documented approval from the FNG Buyer and the receiving FNG plant.

3- Serial Production Life

3.0 Process Verification

Suppliers shall have a method of verifying the equipment, tooling, and process settings are correct and performing as intended. Test Masters (Red rabbits) shall be utilized to ensure test equipment and error proofing is functioning as designed and as identified in the Control Plan.

3.1 Control of Nonconforming Material and Corrective Action

The supplier must have a documented nonconforming procedure implemented to ensure that defective product is detected, identified and contained and to prevent introduction into production shipments. Should the supplier suspect that control has been lost and nonconforming product shipped to FNG they are to inform the Quality Departments of all impacted FNG plants.

If FNG identifies a defective product or service, the supplier will receive notification of a nonconformance and a request for corrective action. This could be as result of a part quality problem, miss identification (labeling, traceability issue), delivery or missed ship schedule, testing failure, failed inspection results, late APQP timing, customer concerns or warranty problem. Notification can occur through on-line systems such as e-mail, phone call or other similar process (Discrepant Material Report CQAF.00017).

Containment actions are to occur immediately upon notification and remain in place until the FNG plant deems effective corrective action has occurred. The supplier will document and communicate the containment measure and initial root cause investigation within 24 hours.

The formal corrective action detailing root cause and permanent corrective action is due **within 10 working days** (Corrective Action Request CPUF.00023). Validation and closure of the CAR process is authorized by the FNG plant and is to **target a duration not lasting longer than 30 days**. The plant can authorize a longer corrective action process when permanent corrective actions feasibly have longer lead times to implement. ***For corrective actions that are significant in nature, such as a yard hold, stop ship, or field campaign, the corrective action will be verified by a FNG corporate representative to validate effectiveness at the request of the FNG facility monitoring the supplier corrective action.***

If sorting is required at FNG, the supplier has the option in most cases to sort product or hire a third-party inspection company. It is the responsibility of the supplier to requisition the inspection company and issue the purchase order to initiate containment measures. It is highly recommended that suppliers identify their

preferred sorting company prior to needing services.

In the instance, our FNG plant does not have space for sorting activities; the suppliers may be required to arrange for transporting non-conforming material to an offsite location. Assurance must be made that re-packaging, creating new packing slip with accurate quantities, affixing new labels as completed with arrangements to transport the newly certified stock back to FNG. Lot traceability must remain intact.

3.2 Controlled Shipping

Controlled shipping is a measure more significant than the sort activities associated with the first escalation in discovery of defective product. When a supplier’s performance demonstrates a failure to execute the corrective action process e.g. repeat failures. The next in escalation are two types of controlled shipping actions.

CS1: Supplier conducted sort and certification of subsequent part shipments for a prescribed period determined by FNG.

CS2: Third party sorting and certification for a prescribed period.

Controlled Shipping is a redundant inspection process for sorting of a specific non-conformance during root cause investigation and verification of the correction action. The redundant inspection is in addition to normal controls and is typically done off line and away from the process that failed.

All controlled shipping actions are the responsibility of the supplier to coordinate and manage. Continued part supply to FNG must meet released quantities and without supply interruption. The supplier and the FNG plant will agree on the method to be used to identify all certified material.

Submission of the sorting data showing inspection results is required. This data will determine the effectiveness of the secondary inspection process and the corrective actions. This data will determine if controlled shipping requirements can be removed.

FNG will notify the supplier they have been placed on Controlled Shipping with either the CS1 or CS2 Letter & Supplier Confirmation (CPUF.00009 & CPUF.00008). Application to be removed from Controlled Shipping is to be requested using the Exist Letter to Level 1 or 2 (CPUF.00010) along with supporting documentation validating the corrective action is effective.

3.3 Supplier Escalation Process

A supplier failing to insulate a FNG plant from repeat incidences after reasonable efforts will be subject to an escalation process. FNG also reserves the right to inform the supplier’s QMS registrar, if problems are not resolved in a timely manner.

- **Baseline target:** Managed at the plant level and is standard for monitoring the supply chain. Utilizes the corrective action process and our FNG PLM Supplier Nonconformance module. Suppliers should have effective processes in place that allow maintaining this baseline, which stops escalation to Step 1 and further.
- **Step 1:** Managed at the plant level, but escalation may solicit additional resources to drive resolution of problems and improvement. Controlled Shipping Level 1 containment practices may be implemented as well as notification to FNG Purchasing for support. This

may result in issuing the supplier a scorecard by the FNG plant with an improvement plan required.

- **Step 2:** Managed at the plant level and escalation may deploy Controlled Shipping Level 2 containment and request of supplier site assessment along with request for Purchasing support. FNG may leverage the customer if supplier is a mandated/directed-buy. Formal development plan may be required.
- **Step 3:** Managed by Purchasing and escalation requires a senior supplier management review with the supplier. Subsequent management reviews might be scheduled as necessary to verify closure to all issues as noted on the action plan. Potential for new business being placed on hold or resourcing could be optioned. In the case of a customer directed- buy, a request to engage or resource could be made to the appropriate customer.

The length of time spent at each step will be determined based on risk and cost being incurred by FNG and our customers, as well as the performance in meeting the improvement plan. FNG’s intention is always to develop a supplier towards improvement prior to giving a status of New Business Hold or resourcing.

3.4 Supplier Performance (Monitoring and Scorecard)

The FNG plant Quality team has primary responsibility for obtaining corrective actions from suppliers. Purchasing will become involved when suppliers are not responsive to requests or corrective actions and overall poor performance goes unresolved. The following key performance indicators will be monitored and tracked:

- Part conformance
- Delivery performance to schedule
- FNG or OEM customer disruptions
- Dealer returns, field actions, warranty, recalls
- APQP/PPAP Timeliness
- Corrective Action Timeliness

A supplier scorecard will only be issued to a supplier meeting the criteria. Criteria is based on performance over a period time with the above listed inputs.

3.5 Supplier Charge Back (CPUP.00009 Supplier Charge Back Procedure)

When a quality or delivery problem is reported and is proven to be the fault of the supplier the below guideline is used to determine costs needing recovered by FNG. Our plants shall work in accordance with the Supplier Charge Back Procedure (CPUP.00009), which necessitates acquiring agreement with the supplier prior to attempting cost recovery actions. These charges are only to offset costs incurred by FNG and not intended to be profitable or punitive. FNG labor costs will be calculated using only the plant work classification.

Potential Costs:

- Per incident, a one-time administration fee of \$120 might be charged, when excessive FNG time is required to coordinate, document and communicate containment measures.

- Hourly rates are itemized and established by the labor classification completing the task.
 - Sorting/ rework performed by FNG labor
 - Sorting/rework performed by 3rd Party Sorting Company; Cost payment coordinated directly between supplier and sorting service provider.
- Down time resulting in over time worked
- Scrap/ all parts rejected due to nonconformance, including finished assembled product.
- Premium freight or related transportation costs.
- Any customer charges to FNG, including claim charges, yard holds, warranty or recall.
- Testing or revalidation as a result of supplier situation.

4- MATERIAL AND LOGISTICS

4.1 General Requirements

Suppliers shall design and manage their logistics processes to ensure on-time delivery of specified quantities to the FNG plant at the designated time.

Suppliers shall be EDI (electronic data interchange) capable unless otherwise authorized by the Buyer or plant.

An Advanced Shipping Notification (ASN) is required of each shipment leaving the supplier's location. The supplier should have a process in place or a plan to implement a method of scanning labels to create the shipping documents and the ASN. This is proven to be the most effective method of reducing shipping errors and mitigating downtime as a result.

Suppliers shall ensure that all material shipped is identified on a Packing Slip or Bill of Lading. Specifications may differ by FNG 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 a 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 or other actions by the supplier that could impact the successful delivery of on time product to our customer.

* Suppliers shall contact the FNG plant when a delivery requires premium or expedited freight.

4.2 Materials Planning and Forecasting

Planning and forecasting is dependent on the FNG plant receiving product and services. Given supplier internal manufacturing processes are diverse and can vary greatly suppliers shall contact the FNG plant Materials team prior to first shipments to coordinate and confirm the release management system.

Communication of material forecasting from the FNG plant through regularly scheduled releases will occur. This is for the suppliers planning purposes only, whereas formal regular releasing of requirements will be updated and communicated weekly.

In the event of a process or product change there is a goal to minimize the amount of obsolescence for the supplier and for FNG. The supplier must ensure it is working within the agreed upon materials planning system to protect against absorbing needless obsolescence costs.

It is incumbent on all suppliers needing extended forecasting for long-lead time components or services to seek additional and documented agreements with both the FNG plant and Buyer.

4.3 Packaging

Both a production and back-up packaging designs are to be developed in a partnership with FNG as part of APQP and shall be in place prior to a capacity verification activity (Run @ Rate) or first shipment requirements. When applicable, suppliers are required to adhere to AIAG/VDA Standards and Global REACH requirements.

Suppliers are responsible for the removal of all expired labels and debris from containers prior to packing new materials. All containers are to be clean and function as intended and safe for usage.

All solid wood packaging, pallets and crates including dunnage must comply with ISPM #15 (international standards for phytosanitary measures and guidelines for regulating wood packaging material in international trade). Proof of this treatment will need to be marked accordingly on the outside of the packaging material.

4.4 Labeling

Suppliers shall be responsible for the clear identification of products throughout all phases of production. Labels must be legible and scan-able. Container labels, master labels, mixed load labels, primary metals label, and part labels, as specified by FNG or customer specification are required. Characters and symbols shall comply at a minimum with AIAG Standard Code 128

Supplier shall work in compliance with the latest revision of label specifications as located in the Flex-N-Gate website under Supplier Resources. Vender Label Specification (non-steel) CISS.00005 and Vender Label Specification (raw steel) CISS.00008.

4.5 Safety Stock

Fluctuations in demands have become commonplace in the automotive industry. Suppliers are required to carry sufficient inventory to protect FNG and their customers from shortage situations and to accommodate 100% on-time delivery.

Suppliers shall establish minimum inventory required as protection against down time or any identified potential capacity constraint such as labor disruptions, equipment failures, material lead-time, and capacity shortfalls.

4.6 Transportation

Supplier confirms that *FNG's Terms & Conditions of Supply* and *Flex-N-Gate Companies Transportation Policy* are incorporated in, and form an integral part of, the purchase order and all releases, requisitions, shipping instructions and other forms of communication associated with each purchase order – whether in written form or communicated electronically. A copy of FNG's Standard Terms are available at: <https://flex-n-gate.com/suppliers-resources/>

4.7 Material Management Operation Guideline (MMOG)

Suppliers are urged to complete the MMOG and seek compliance to 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- WARRANTY MANAGEMENT

5.1 General Requirement

FNG Customers assert increasing importance on product performance and expenses attributed after vehicle sale. With increasing consumer awareness to vehicle performance and reliability, OEM customers extend warranty coverages. It is vital for FNG and their supply base to focus on durable and persisting quality of their products.

- Warranty cost responsibility

OEM customers have stipulated that warranty costs will be shared with their supply base and FNG stipulates the same expectation. All applied OEM warranty system processes, procedures, agreements and requirements will transmit through to the FNG supply base in the same accordance. When a supplier's component is implicated in warranty, recall or campaign of any kind, the supplier will be held responsible for root cause analysis, appeal or rebuttal of claim, and must be prepared to accept all associated costs. As such, suppliers are expected to participate in warranty activities.

- Improvement and corrective action process, regardless if component is returned.

General responsibility and costs for which a supplier is accountable works in conjunction with the Flex-N-Gate Purchase Order and Standard Codes and Terms of Supply as found on our Flex-N-Gate website.

Date of Revision	Rev. #	Section #	Details of Change
5/25/26	21	4.4 1.3	<p>Include doc name for vendor label specification</p> <p>CQI requirement for sub-tier. Fasteners heat treat etc.</p>
4/30/26	20	Addendum A and misc. other phrasing and corrections throughout manual.	Remove Asn format & Label Specs. Now located on FnG website. Reword cost recovery and CSR. Revised lot traceability to include shift.
1/21/25	19	Introduction Addendums 1.8 3.0 New 3.1 3.6 4.6	<p>Update Introduction page to reflect new website</p> <p>Remove Extended Material Authorization addendum.</p> <p>Remove Conflict Minerals Link</p> <p>Added requirement for FNG on site verification of CA's that have resulted in a yard hold, stop ship, or field campaign</p> <p>Added requirement for process verification and usage of test masters</p> <p>Transportation Policy update to direct to T&Cs, add new link</p>
10/13/23	18	3.5 Supplier Charge-back	Reaffirm that only actual costs are used during a supplier charge back activity.
6/28/23	17	1.5 and 1.6	1.5 – Added requirements for temporary deviation of processes, and shifted requirements of bank builds for contingency plans to section 1.6
11/24/21	16	Scope, 2.8 & 4.4	Cite manual does not apply to other FNG plants acting as supplier. Reference specific documents found on FNG Website. Remove Pre-Production forms. Include revised label standard.
7/21/20	15	All	Sequenced to align with program life cycle and to improve overall flow of information. Removed redundant information and direct reader to parent document. In some cases, AIAG, the FNG Website, PLM or Intelex. Some addendums were removed for similar reasoning. Added sections Suppliers of Special Processes and Sub-Supplier Management, Feasibility, Statistical Process Control, Embedded Software.
1/10/20	14	Addendum N	CAD/Drawing submittal and approval via PLM
8/1/19	13	Cost Recovery	To further detail agreement with supplier must occur prior to debit memo and to engage buyer for negotiation, if needed. Added 2 images to cover.
9/14/18	12	Cover Letter	
8/24/18	11	Pre-Production Build Control Addendum M	<p>Cite VW Group CSR</p> <p>Detail and cite CQAP.00011 Pre-Production Build Control Procedure and associated documents</p>

6/25/2018	10	Cover Letter, Transpiration, Supplier Charge Back, Material Requirements, Labeling	Formatting fixed throughout document
5/16/18	009	Addendum A,C, G, H, I, J, K	Removed reference to transition to IATF, updated Transpiration Policy to reference FNG Website, placed all references to cost recovery charges in Addendum B, updated Material Requirements inventory requirements and updated labeling spec to current AIAG format.
8/16/17	008	Addendum (new)	Revised to new corporate form and to remove references to Veltri.
8/2/2017		Tooling	Added Suspect Material Notice (SQCN) for use with supplier chargebacks and sorts. With will replace Addendum G January 2018. Both are available for usage now. Added notes regarding boundary samples, master plaques and FNG approved and supplied parts for production approval and inspections.
7/17/17	H	Warranty	Defined clearer supplier responsibility with OEM warranty system. OEM warranty system processes, procedures and associated costs will be applied to supplier. Reference to FNG Standard Terms & Conditions of Supply.
5/17/17	H	PPAP Submission Criteria	Additional responsibilities defined of the Tier-2 for the Tier 3 supplier: on-site Control Plan (or equivalent) audit at initial PPAP & continuation if FNG plant metrics indicate poor performance.
4/28/2017	H	PPAP Submission Criteria	Clearly defined supplier as responsible for all sub tier supplier performance, PPAP requirements and compliance to FNG specifics. Revised to improve
4/28/2017	H	Quality System Registration, Required References, Supplier Quality Assessments	Update to reference new IATF requirements. Notation that the manual applies to all sub tier suppliers, externally provided processes, products and services. Clarification for Required References the supplier must consider receiving OEM. Remarkd that risk assessments and supplier performance may warrant different assessment frequencies and type.
4/28/2017	H	Cover, CSQRM letter and Acknowledgement page.	Cover- title page change to <i>Global Supplier Quality Requirements</i> Manual and references to mandatory ISO & IATF transition. Index page corrections. CSQRM letter and Acknowledgement page to new name, revision and contact information. New requirements. Supplier responsible for working with latest revision.
12/1/2016	G	Shipping and JIT Delivery	Page 20 added verbiage on formal notifications for expedites
7/25/2016	F	Cover, References, Addendums	Removed obsolete logos on cover page, added new supplier notification forms, updated transportation policy info, Removed reference to QSB and added BIQS.
6/18/13	E	Post Index, 2. References,	Added Acknowledgement Letter & Sign-off and added; ISO14001 Req. References; #5 Supplier Quality Assessments; New 1 st 3 par. to Submission Criteria, Cert of Origin/ NAFTA Reqmt; Annual Part Verification/Validation reqmt details frequency and bullet list & fee for noncompliance; C. Escalation Process and associated documents; #9 Outside Source for Sorting par.3; #7 CAR minimum; references and links to new addendums and letter 'C' to Supplier Development Added addendums F-L for form examples.

3/9/12	D	#5 Transportation –NEW, #6 Requirements A#2 - C of A; Supplier Performance #2	Added a new section Transportation (now #5) and renumbered the sections; PPAP #2 Certificate of Analysis requirements for detail to be included on the certificate for Plastics and Metals per the PO/Contract; added org. change updates to Supplier Performance.
8/26/11	C	QMS: #5, #6, #8, #9B, Material Requirements: #7	Changes in product/process submission requirements; added bailment; CS-added example criteria; added reference to Par 5A; 1 st paragraph (Package and Label) added last sentence and 3 rd par. Changed shall to should.; added EXAMPLE to Addendums A & D
3/16/11	B	1. Quality System	Clarified requirement for certification and references to environmental requirements
2/18/11	A	All	Official Release