

Supplier Quality Manual

1.0) Scope/ Purpose:

Camryn Industries recognizes the Global ISO/TS 16949 and ISO 14001 Standards and other Customer requirements as they apply to automotive and non-automotive production and relevant service parts organizations. Accordingly, all Camryn Industries production suppliers are required to establish documentation and implement effective production, quality and management systems compliant with these requirements, including those specified by the customer requirements.

This manual reinforces the Camryn Purchase Order Terms and Conditions and identifies Camryn Industries customer specific requirements. QS 9000, ISO 9001, TS 16949 and ISO 41001 are applicable to all Supplier Manufacturing sites and Tier Suppliers; includes production parts, service parts and pre-production material as well as assemblers of production parts that are supplying Camryn plants.

Camryn Industries reserves the right to verify supplier compliance to QS 9000, ISO 9001, TS 16949 or ISO 14001 on-site for those suppliers that are identified as having a high impact to safety, fit and form function, quality and or Customer downtime and delivery interruptions.

1.1) Second Party Customer Approval Guidelines

Camryn Industries requires all production suppliers to verify their subcontractor's certification or compliance to QS 9000, ISO 9001 or TS 16949 quality systems.

Supplier Approval Requirements:

- Supplier must be ISO 9001, QS 9000 or TS 16949

- The Supplier must utilize a qualified / Certified Auditor with evidence of successful completion of training
- Supplier must perform annual audits at each qualifying subcontractor and maintain record of these audits
- The duration of the audits must be sufficient to review all elements in the subcontractors quality system
- If a subcontractor causes a quality spill or interruption of delivery the supplier of record will conduct an onsite review to confirm corrective actions and closure / non repeat of issue

2.2) Advanced Product Quality Planning (APQP):

All suppliers are required to produce advanced quality plans to support the development of new products and or services in accordance with the guidelines in the Advanced Product Quality Planning and Control Plan (APQP) manual published by the Automotive Industry Action Group (AIAG).

- All suppliers are required to report the status of plan activities on a regular basis.

3.0) New Product/ Process Launch Readiness Measures

New product / process launch readiness measures are implemented to ensure that suppliers are able to produce in accordance with the requirements of the Purchase Order issued by Camryn Industries.

3.1) Supplier Risk Assessment

Camryn Industries will conduct Supplier Risk Assessments to determine which suppliers products are to be identified as “selected suppliers” and will be tracked for additional due care.

- Product and process complexity – Impact on final product
- Product specification to FMVSS or Safety Critical Components
- New product and complexity for Camryn Industries or its Supplier
- Past product - process concerns - warranty concerns



- New Supplier to Camryn Industries
- Supplier Launch history
- Existing Supplier – new supplier location to Camryn Industries
- Merger - Acquisition associated with Supplier
- Product Environmental Impact

3.2) Component Review Meeting (CRM)

Component Review Meeting are held with selected suppliers to identify key product/process characteristics that must be statistically monitored to ensure stability i.e. – SC / CC – Safety Critical and Critical Characteristic.

Suppliers are required to conduct CRMS on their sub suppliers and identify customer specific requirements and maintain compliance to the customer requirement.

3.3) Production Trial Run

Suppliers are required to perform and verify that supplier's production process is able to meet program volumes at an acceptable quality level.

The supplier's process must be able to produce 115% of the quoted volume with production tooling and equipment within the quoted production work schedule / plan.

All production suppliers are required to perform a Production Trial Run (Run at Rate), prior to program launch. Any failures in making rate must be communicated in writing to Camryn Industries.

3.4) Launch Support

During any program launch at a Camryn Industries production facility selected suppliers maybe required to provide on-site representation. The launch support representative(s) must have product knowledge, capable and empowered to make decisions. Suppliers may be required to attend key build events prior to launch + 30 days post launch.



3.5) First Production Shipment Certification (FPSC)

Supplier components must be inspected for conformance to special product, process, and assembly characteristics. Incoming containers should be labeled denoting that the components are certified stock.

FPSC requirement is based on 30 days of active shipments by supplier that has demonstrated zero quality issues. Any quality spills will reset the 30 day shipping requirement.

4.0) Production Part Approval

All suppliers are required to obtain a full approval per the requirements of AIAG Production Part Approval Process (PPAP) Manual, 4th edition; prior to shipping production level parts to Camryn. OEM Customer requirement must be followed as mandated by OEM customer standards and requirements for PPAP.

* All PPAP sample submissions are required to be Level 3 unless otherwise specified. Annual layouts are required to verify continuing conformance.

4.1) Product / Process Changes:

Camryn Industries receiving plant must approve all changes in advance to product and process changes.

Samples may be required for review and to evaluate potential impact to Camryn Industries manufacturing or assembly process.

Submission for PPAP approval is required unless specifically waived by Camryn Industries or mandated by its customer as a signed waiver.

Labeling - Container labeling must follow AIAG labeling requirements. (Reference – Appendix A).

Special additional labeling is expected for all components that are produced by process / specification deviation and trial components (IAA, TSA, PER, etc.). These labels should be marked to the attention: Camryn / Quality Manager.



4.2) Production Location Change

All product locations changes must be approved in advance, to all product and process. Camryn Industries requirements follow AIAG, PPAP 4th Edition, “Customer Notification & Submission Requirements”.

Suppliers must request approval in writing from Camryn Industries prior to moving location or changing process of products or components.

PPAP approval is required prior to the shipment of production material from the new location as well as an Exit PPAP from the prior location.

4.3) External Production Supplier Extended Shutdown Notification.

Supplier must notify Camryn Industries in writing of any extended shutdown; start-up periods. Examples include but not limited to – Customer Change-over / Anticipation of a work stoppage or slowdown due to Union Contract Negotiations / Scheduled and Non Scheduled downtime associated with Tooling / Machinery or Process.

5.0) Incoming Quality (IQ) Meetings:

Camryn Industries conducts IQ meetings at the Camryn production facilities that receive the supplier’s product. Suppliers are required to attend and present containment / corrective actions. Suppliers are identified based on the following criteria:

- Performance History - Repetition of issue or escape mode

- Issue Severity and Responsiveness to Concerns

- Form - Fit - Function Impact

- Warranty Issues and Claims

5.1) 4-Step Incoming Quality Process



Camryn Industries utilizes a 4 Step Incoming Quality Process based on the severity or lack of resolution of the quality issue. Based on severity and resolution of the issue(s) the customer may participate in the process.

Step 1 - Remedial Communication

Communicate problem and provide documentation of the quality escape and events that contributed to the quality issue. Provide corrective action and containment documentation; initial and close with a permanent action in a timely manner.

Step 2 - Working Meeting

Supplier's acceptable corrective actions are not in place or failed to close original quality issue or multiple issues occurring from the supplier. Supplier presents corrective actions and follows an 8D format for problem resolution.

Step 3 - Incoming Quality (IQ) Meeting

Supplier's corrective actions or containment failed or was not in place and allowed quality escape or repeated systemic escape modes. Supplier reviews actions taken to address root cause of escapes and validates corrective actions with production and shipment data to Camryn. Customer invited to attend

Step 4 - Super IQ Meeting

Executive review with Camryn; Customer requested to co-chair meeting. Supplier presents root cause of failure and corrective actions with data.

6.0) Containment Policy

All suppliers are required to have a containment process to provide additional verification – outside normal processes; prior to shipment. The process must include identifying containment actions, isolating concerns and implementing corrective actions. Exit criteria will be determined on an individual basis by the Camryn production facility.



Depending on the issue and severity Containment may be required to be put in place immediately at the Camryn facility; if identified as a supplier issue the supplier will be responsible for all containment charges.

Corrective Action - Camryn expects immediate containment along with urgent and objective problem solving. The preferred root cause problem solving method is an 8-D. Formal containment action shall be provided within 24 hours.

Permanent corrective action should be defined within five days.

6.1) Level I Containment

Level I containment is required for new production start-ups and engineering changes to contain any failure modes due to the learning curve of new start –ups or change-overs.

6.2) Level II Containment

Level II containment requires the supplier to implement extraordinary inspection of product to contain a specific failure. Containment actions must verify that requirements are met and be approved by the Camryn production facility.

6.3) Level III Containment

Level III containment requires the supplier to provide an independent third party to inspect product offsite prior to release for shipment to the Camryn production facility. Level III containment is initiated once the supplier fails to contain non – conforming product within his or her own facility.

7.0) Cost Recovery Policy

Suppliers are liable for all cost incurred by Camryn Industries when the cause is identified as the suppliers responsibility as out lined below.

- External Suppliers – Charges to external suppliers will be based on local rates of the affected Camryn Industries manufacturing / assembly location. Camryn Belvidere hourly charge rate is \$30.00 per hour. Refer to the guideline below regarding applicable charge backs.



- Administrative Charge – Each Defective Material Notice (DMN) has an administrative charge of \$200.00 minimum covering the collection of data and documentation of the quality incident / spill.
- Other Charges – the following types of charges will be calculated on the actual time incurred for the associated actions.

EXAMPLES OF COSTS THAT CAN BE CHARGED BACK TO THE SUPPLIER

Rework / Repair Supplier Fault

Premium Freight including Air Charter if Required

Overtime to Avoid Production Interruption

Disposition of Supplier Fault Scrap

Production Downtime for Camryn and its Customer

Sorting of Suspect Material In-House, at Customers Location

7.0) Cost Recovery Policy – Continued

EXAMPLES OF COSTS THAT CAN BE CHARGED BACK TO THE SUPPLIER

Third Party Warehouse and Contractor Costs

Tear – Down (Minor, Major and Complete) and Outside Lab Testing

Customer Returns including Hourly Charges, Transportation and On Site

Inspection Services

8.0) ISO 14001 and Other Environmental Requirements:

Camryn suppliers must have an effective environmental management program in place. Third Party Registration to ISO 14001 maybe required depending on end customer requirements or OEM standards.

9.0) ELECTRONIC DATA INTERCHANGE (EDI):

All suppliers supplying production parts, assemblies, components and production material to Camryn Industries are required to have EDI capabilities.

10.0) Containerization:

All container design must be approved by Camryn Industries prior to production shipment. Container designs must support both supplier and Camryn manufacturing processes. The supplier is required to maintain the cleanliness of the containers for all production parts, assemblies, components and production material supplied to Camryn Industries. Containers must be free of debris, excess grease/oil, old labeling, or other contamination prior to use.

Back up containerization must be same base dimension as the standard returnable container. The supplier must get authorization from Camryn to use.

Appendix A:

