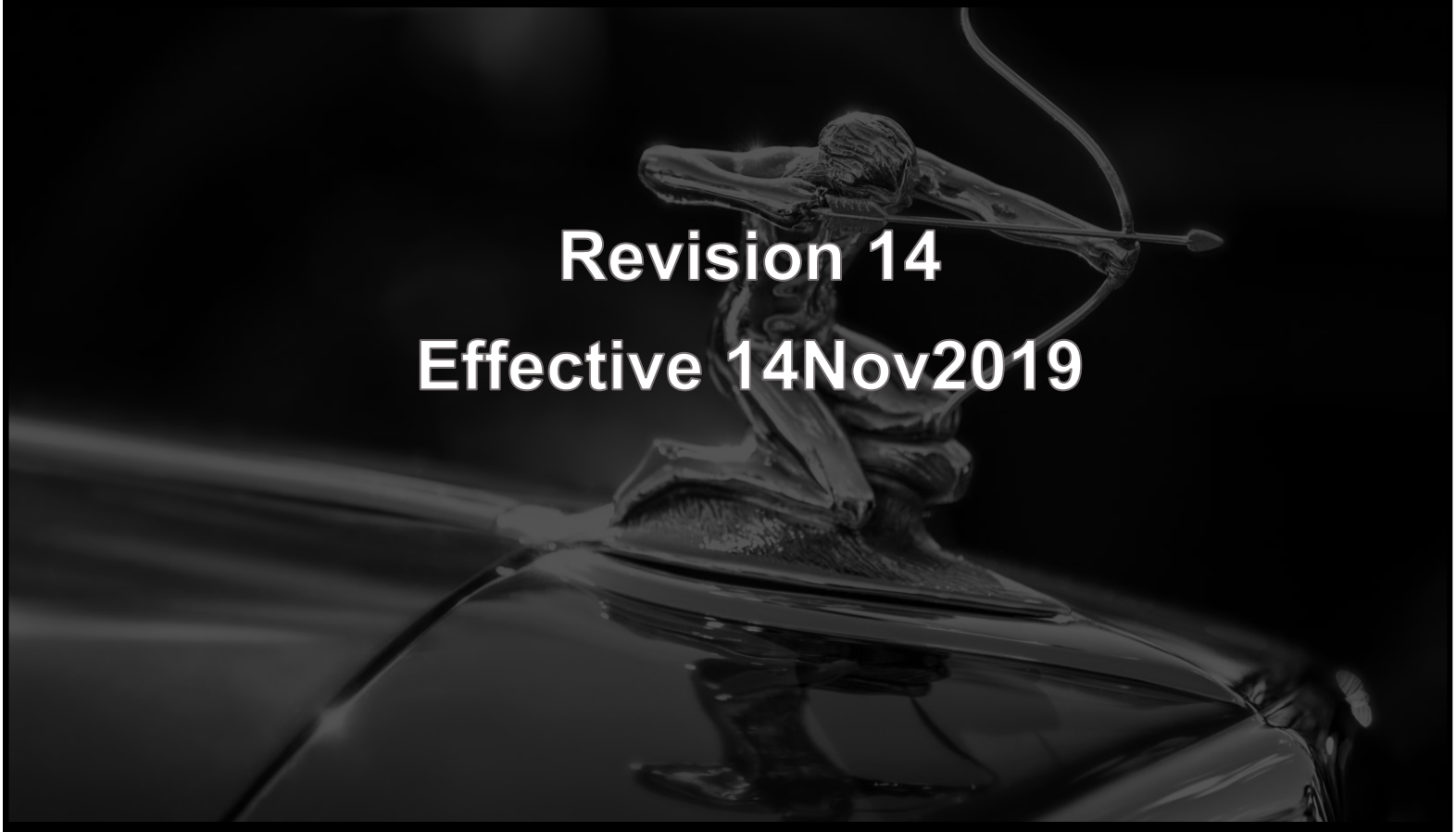
Global Supplier Quality & Development Manual



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Stant®

Table of Contents

1.0 Introduction

Stant is a recognized world leader in the design and manufacturing of Vapor Management Systems, Fuel Delivery Systems, Thermal Management Systems and Engineering Services. As a leading manufacturer of closure caps, on-board vapor recovery components, and engine and transmission cooling components, Stant has cultivated its position in the automotive industry by capitalizing on its wide-ranging experience and capability to provide its customers with innovative solutions for challenging applications. We focus on 3 markets and product line segments: Automotive OEM, Industrial and Aftermarket.

To satisfy our customer's expectations for zero defects, 100% on-time delivery, system support, and low cost solutions, Stant has expanded its operational presence and developed a global customer support strategy. Today, Stant has manufacturing facilities and Sales and Technical Centers in multiple countries on three continents, which enables Stant to meet its customers' needs with real global solutions.

Through close collaboration with customers and suppliers, we achieve conformance to rapidly changing regulations, innovative solutions for competitive advantages, and products that meet cost and timing targets. Stant has led and participated in programs that span from concept to production launch and delivered increased performance and reduced costs. Stant has earned multiple quality awards in the automotive, industrial and aftermarket industries and is IATF 16949 and ISO 14001 certified.

VISION	MISSION	QUALITY POLICY
To be recognized as the global authority of Vapor, Fuel & Thermal Management Systems by customers, employees, industry stakeholders and shareholders.	To deliver solutions that exceed customers' expectations through innovation, technology, program management, and operational excellence.	**CUSTOMER SATISFACTION** To provide products and services which entirely satisfy the requirements as defined by the customer. We are committed to excellence and assisting one another to pursue continuous improvement.

2.0 Purpose

This Supplier Quality Manual is designed to communicate to our Suppliers the requirements and expectations of Stant regarding Supplier Quality and Delivery, as well as providing a guideline for system conformance. Stant is committed to measurable Continuous Improvement in all aspects of our business. Suppliers are considered an integral part of our business. The capabilities of our Suppliers support the achievement of Stant goals and objectives. As an extension of our own operations, we rely on our Suppliers to provide material, products, and services which meet the requirements of Stant contracts, applicable specifications, and the Supplier Quality Manual.

This manual describes what Stant expects its Suppliers to do to ensure that Stant requirements and expectations are met. Acceptance of a Stant Purchase Order constitutes acceptance and commitment on behalf of the recipient to comply with this Manual's content. Suppliers must also ensure that their Sub-Tier Suppliers support compliance to this Manual and the requirements and expectations within. Stant will assess each Suppliers ability to comply with the requirements contained in this manual and based on the perceived risk assessment may include an on-site audit of the facility by Stant Supplier Quality.

Compliance to the requirements within this manual, as well as to the Stant Corporation Purchase Order Terms and Conditions is needed for Stant Suppliers.
It is the Supplier's responsibility to regularly visit Stant's Supplier Portal and review a Controlled Copy of this manual for up to date guidelines. Information is also available by contacting one of Stant's Supplier Quality Engineers.

3.0 Scope

This manual applies to Suppliers who provide production and service materials and components directly to Stant Plants/Facilities.

4.0 Stant Business Philosophy

4.1 Gifts and Entertainment

Stant has enjoyed a prominent reputation in the marketplace. Striving to maintain this reputation is a high priority. Therefore, we want to remind our suppliers of our ethics policy.

It is our belief that the giving/receiving of gifts, regardless of value, can potentially lead to favoritism and embarrassing situations. Non-compliance jeopardizes your business relationship with Stant.

Our policy states that “Associates may not accept gifts of money under any circumstances, nor may they solicit non-monetary gifts, gratuities, or other personal benefits from suppliers or customers”.

Associates and members of their immediate families may accept unsolicited, non-monetary gifts from a firm or individual doing or seeking to do business with Stant only if: (1) the gift is valued no more than $ 50.00, or (2) the gift is primarily of an advertising or promotional nature. Gifts of more than $50.00, may be accepted if protocol, courtesy or other special circumstances exist, and as sometimes happens when dealing in certain countries.

Associates may not encourage or solicit entertainment from any individual or company with whom Stant does business. From time to time associates may offer or accept entertainment, but only if the entertainment is reasonable in the circumstances, occurs infrequently, and does not involve lavish expenditures. Offering or accepting entertainment, which is not a reasonable adjunct to a business relationship, but is primarily intended to gain favor or influence, must be avoided.
If anyone in your company believes that any Stant associate has violated our policy, please call and inform the Human Resources Department at Stant.

5.0 Quality Management System

5.1 General Requirements

A robust Quality Management System is an initial base requirement to become a Stant Supplier. It is our expectation the Supplier adopt continuous improvement practices in their organization. This should be in the form of annual continuous improvement plans, documented and approved by upper management. These plans should provide details such as specific goals, action plans, implementation dates and identify personnel responsible. The status of the plans should be reviewed with management at regular frequencies. As required, Stant may ask to review these plans and actions.

In keeping with a continuous improvement philosophy, Stant expects Suppliers to involve employees in driving continuous improvement activities throughout the organization. It is expected that this measurement based continuous improvement methodology be utilized to prioritize and focus company resources on the most important aspects of the business such as safety, environmental, quality, cost, delivery and human development.

Seller and Supplies shall comply with applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country of destination or which relate to the manufacture, labeling, transportation, importation, licensing, approval or certification of the Supplies, including those relating to environmental

matters, wages, hours, and conditions of employment, subcontractor selection, discrimination, occupational health/safety, and motor vehicle safety. At Buyer's request, Seller shall certify in writing, and per instructed format should one exist, its compliance with any or all of the foregoing.

Stant recognizes that adopting Lean Manufacturing Principals is an inherently more cost effective method of managing a business. These programs should include training of employees to these principles, holding workshops (improvement events), establishing measurable metrics, evaluating and acting on results, communicating results to employees and cascading the expectations throughout the supply chain.

Present and potential suppliers to Stant will demonstrate, with evidence that they have implemented and maintain a Quality Management System that conforms to the requirements detailed in ISO 9001 and IATF16949. Third party registration to ISO 9001 and IATF 16949 is very strongly encouraged by Stant Corporation for automotive Suppliers. Suppliers are responsible to provide these certifications to Stant via the Plex portal, and/or your Stant Purchasing or Supplier Quality contact when they are granted or renewed. Not supplying up to date certifications can affect the Supplier's Scorecard and their ability to win new business.

The environment is a priority to Stant and therefore Suppliers are encouraged to be certified to ISO 14001 or be working toward certification. Further, the Supplier should demonstrate compliance with local, national, and international standards and regulations regarding health, safety, and environmental issues relevant to the Supplier's business.

Stant prefers Suppliers certified to IATF 16949 and ISO 14001. Suppliers are expected to implement, maintain, and improve their certification to this technical specification with the objective of achieving zero defects and continually striving to improve product quality, cost and delivery.

Stant will accept Suppliers registered to ISO 9001 with the ability to meet AIAG (Automotive Industry Action Group) latest edition manuals of Core Tools (APQP, PPAP, FMEA, MSA, and SPC), Stant specific requirements, and our "Customer Specific Requirements".

Certificates are to be uploaded to Plex and/or provided to one of our Supplier Quality Engineers by the individual Supplier and updated as required.

In the event of changes to the quality management system certification status, a Stant Supplier Quality Engineer is to be notified within five business days.

5.2 End Customer Expectations

In the automotive industry today it is necessary for Suppliers to be familiar with the end customer's quality requirements as it is an obligation of Stant to cascade these requirements throughout our supply base. Stant expects Suppliers to be familiar with and implement our end customers' requirements as defined on our released drawing.

6.0 Supply Chain Management

6.1 Supplier Selection

Potential Suppliers go through a selection process and upon approval are listed in the Approved Supplier's List.

Sourcing is based only from those included in the Approved Supplier's List and remain in good standing. An evaluation process is conducted to ensure suppliers continue to meet Stant's expectation for quality, delivery, responsiveness, and ability to stay current with technology and cost.

For a supplier to be added to the Approved Supplier List the following is needed:

- Signed Confidentiality – Non Disclosure Agreement (NDA)
- Supplier Self-Assessment Wall to Wall Audit
- Current Quality Certifications
- List of Supplier Personnel contacts
- Signed acknowledgement of current Stant Supplier Quality Manual

Suppliers should also show good data from a Dun & Bradstreet assessment.

An onsite Wall to Wall audit may be performed at the supplier depending on the Self-Assessment results The W2W is structured to evaluate the supplier's QMS conformance to IATF 16949, ISO 9001, AIAG requirements, and Customer Specific Requirements. The W2W may contain additional requirements, which will be communicated to the supplier.

The Stant commodity buyer will notify the nominated Supplier of a new business award by issuing a Letter of Intent and/or Purchase Order for the program. All commercial and new business awards will only come from Stant Purchasing. The Supplier will submit PPAP upon Purchase Order acceptance, other discretionary requirements will be clearly identified as a condition of the Purchase Order. PPAP's submitted will be done so, in accordance with the requirements of the PPAP package sent to suppliers from a Stant Supplier Quality Engineer.

Supplier Development of Specialty Designated Small Suppliers

When a direct sub-supplier to Stant is so small as to not have adequate resources to develop a system according to the current version of IATF 16949 or ISO 9001, or supplies non engineered products, certain specified elements may be waived by Stant to the supplier. "Small" here above refers to the size of the organization and may also refer to the volume supplied to the automotive industry. Stant will still assess the sub-supplier's size, dollar value of the business, type of product supplied, quality, manufacturing and delivery systems capability, and the risk to Stant. Sub-Suppliers are still held accountable to meet the needs of the operations and will be monitored through current SQD procedures. These sub-suppliers may also be referred to as "Special Condition" suppliers.

In addition, the Stant direct supplier certified to current versions of IATF 16949 or ISO 9001 will have assessment criteria applied consistently to determine the specially designated small sub-suppliers for which this provision may also apply.

At a minimum, the direct supplier should assess the sub-supplier's size, dollar value of the business, type of product supplied, quality system, manufacturing and delivery systems capability, and the risk to Stant. Suppliers are responsible for ensuring that sub-suppliers develop a quality management system that facilitates defect prevention, monitoring, and improvement. The supplier is responsible to manage production risk through sourcing to financially stable sub-suppliers and monitoring sub-supplier financial stability.

6.2 Approval

To be awarded business from Stant a potential new Supplier is required to enter a competitive bidding process. When it becomes evident that business will be awarded to the potential new Supplier, a more in

depth analysis is done of the potential Supplier's ability to meet Stant's requirements for quality, delivery, responsiveness, technology and cost.

Potential Suppliers will be requested to complete a Supplier Profile Form in Plex for Stant's record. This information should be updated annually, or whenever any of the content changes. This list will include names, responsibilities, address, phone numbers and email for those occupying the position of President/Senior Executive, Top Sales Executive, Account Manager, Quality Manager, Customer Service, a primary Program Manager, and other important contacts. If the Supplier does not ship to a Plex plant the contact information will be entered on a different form to be provided by Stant.

At the discretion of the Buyer, a pre-award/technical review meeting for new or current Suppliers offering new products or services may be conducted prior to the commencement of supply, based on risk assessment or potential issues, if identified. Technical, quality, manufacturing, engineering, purchasing, delivery, capacity and business issues will be reviewed during this meeting to provide:

A. The Supplier, with a thorough understanding of Stant requirements and expectations.
B. Stant, a thorough understanding of the Supplier's capabilities, program risks and limitations.

6.3 Supplier Development Program

Stant will prioritize Supplier development based on the performance results, associated risks, and criticality of the supplied products and components. The Supplier development plan can consist of the request for corrective action, scheduled progress report meetings, Wall to Wall onsite audit, and on-site support depending the supplier's performance scorecard. Supplier development plans may include support in quality systems, Lean Mfg., Six-Sigma, team-oriented problem solving, etc.

Stant has high expectations of all Suppliers and will seek to work with Suppliers that demonstrate a strong commitment to quality improvement, continuous improvement, cost savings, communication and partnership.

6.4 Supplier Performance Evaluation

Stant plants will monitor, collect and archive Supplier Performance monthly data. This information will be available to Suppliers by request and/or available in PLEX where applicable and accessible. Scorecards will be updated monthly with transactions identifying 4 key categories of supplier's, PPM's, Delivery, VMIR's, and Documentation. Each category of performance has been identified as a key success factor for Stant. The collection and monitoring of these metrics will provide key KPI's for Supplier Development. And training across the supply chain will have a significant social, environmental and financial impact.

These pieces of data are assimilated into the Supplier Scorecard, which tracks annual performance status. Compliance with corrective actions requested by the receiving Stant plant on time is extremely important. Suppliers are subject to VMIR's related to non-responsive, late or incomplete corrective actions/8D's.

Performance Areas Monitored

The areas of performance that are monitored are:

- Quality (PPM)
- Delivery (On-time Delivery)
- Cost/VMIR (VMIR's issued)
- Partnership/Documentation (ISO/IATF certs, Updated Contact List, timely completion of 8D's and Corrective Action Requests, etc.)

When there are concerns in the above categories penalty points are applied based on the number of rejected parts or occurrences giving demerit points the total of which is used to calculate the performance score in a percentage form.

Performance is tracked and evaluated on a monthly and yearly basis.

6.5 Delivery Expectations

Stant issues release dates through “PLEX” or the “Supplier Portal”. **It is important to note that these are in-house arrival dates**. It is expected that the Suppliers use appropriate lead times to ensure product arrives to schedule.
On time delivery is a key part of meeting our customers’ expectations, the product we receive from our supply base also needs to meet these expectations. Supplier’s delivery performance is calculated through tracking non-compliance to shipping dates, quantities, expedited freight, and ASN’s.

6.6 Customer Specific Requirements

Specific OEM’s Customer Specific Requirements are an integral part of doing business in the automotive industry and are a part of the contract with Stant. It is expected that suppliers become knowledgeable in, and practice applicable OEM’s customer specific requirements. Many of these can be found on the AIAG website. The below list is not all-inclusive.

Examples are:

GM BIQS audits
MMOG/LE
CQI-8 Layered Process Audit Guideline
CQI-9 Special Process: Heat Treat System Assessment
CQI-11 Special Process: Plating System Assessment
CQI-12 Special Process: Coating System Assessment
CQI-14 Consumer-Centric Warranty Management
CQI-15 Special Process: Welding System Assessment
CQI-17 Special Process: Soldering System Assessment
CQI-19 Sub-Tier Supplier Management
GM 9999-1: H13 Steel and Heat Treat Certification
Records retention and Safety component requirements

7.0 Product / Process Development Requirements

7.1 General

Suppliers of production, service and prototype parts will follow the guidelines provided in the AIAG Core Tools manuals.

At the launch of any new programs, or the changeover of existing parts, the Suppliers product and process development practices are expected to follow the elements as defined in the AIAG APQP (Advanced Product Quality Planning) manual. On any changeover of existing parts, Suppliers are required to do a detailed review of existing parts to fully understand the quality appearance and functionality of the part(s).

When customer directed Suppliers are required to be used, the same level of control is practiced as would be expected of the regular supply base.

The Supplier will plan and develop quality systems and manufacturing processes required for product acceptance (PPAP) based on their quote and Stant’s program timing. Each Supplier will develop a quality

plan that promotes continuous improvement in activities such as quality, cost, delivery, and where appropriate, design and development. Documentation providing evidence of adherence to this plan will be made available to Stant upon request.

7.2 Advanced Product Quality Planning

Advanced Product Quality Planning (APQP) is the process of establishing quality objectives (The voice of the customer) and establishing the schedules or plans for consistently meeting or exceeding these objectives. It is the cornerstone of nonconformance prevention and continual improvement.

Advanced Quality Planning methodologies are required in the following situations:

- During the development of new processes and products
- Prior to significant changes in processes and products (as determined by Stant)
- Before tooling is transferred to new producers or new plants
- Stant SQE is responsible to track APQP timing, milestones, and completion as determined during the Tech Review.

Stant SQE and Program Management will track the APQP process, and will ask the supplier to add the data and provide updates on a regular basis until the APQP process is closed.

Supplier will add their milestones and compare progress against them. Supplier will also upload any APQP specific documents as requested by Stant SQE and Stant Tool Engineering.

Suppliers will set up a quality-planning team for every new or changed product. These teams will use the quality planning techniques identified in the AIAG APQP manual, as well as Stant specific requirements.

Typically, the teams include design, manufacturing and quality engineers, and production, procurement, and other personnel. Supplier APQP teams may include at the supplier's request Stant Procurement, Supplier Quality, and/or Product Engineering personnel.

Stant recognizes the AIAG Advanced Product Quality Planning (APQP) manual current revision as the supplier APQP requirements. Suppliers are required to comply with this manual, which is available directly from the AIAG website.

7.3 Tech Review

Stant recognizes the Tech Review as a key element to define customer requirements. Stant and Supplier representatives from Engineering, Program Management, Quality, Operations and Logistics are required to support the Tech Review meeting.
During the Tech Review meeting Stant will build an Action Item Register where each single commitment will be recorded.

Minimum requirements to be reviewed during the Tech Review:

1. Drawing:
    - Check if each element of the drawing is clear for supplier
    - Check if each note in the drawing is understandable
    - Check if the specifications are available for supplier
    - Check if released drawing or signed marked drawing is delivered to supplier
    - Check if material is well described and available in the region

2. Stant testing requirement (special customer requirements)

3. Sample Requirements:
    1. Quantities
    2. Due Dates
4. Special requirements (SC/CC) about control system (Customer directed methodology or frequency of assessment)
5. Logistic requirements like packaging, delivery frequency, delivery conditions plus all specific requirements of logistic team. If Stant will not define special packaging, supplier is obliged to present proposal for acceptance.

Tooling concept for review. Stant will only verify standard technical requirements are met. maintains responsibility for proper tool function.

6. Basic tooling information collected for the tool log.
7. Intended capacity, including all sources (tool, equipment, personnel).
8. Feasibility agreement.
9. APQP timing to meet program requirements.
10. Previous quality issues with those types of parts.
11. Supplier Kick-off / Readiness Questionnaire.
12. Raw Material, Production and Delivery Lead times.
13. Define Control Level for each component.

Stant Procurement will provide documents and forms required prior to the Tech Review meeting. Supplier is required to prepare for the meeting and have required data available.

7.4 Drawings and Specifications

The supplier will maintain the latest revision of the Stant drawing and specifications as part of their quality documents. Technical changes and/or reviews will be documented, stating clearly what changes, date of changes, revision of changes, etc.

7.5 Process Flow Diagram

Flow Diagrams of the process establish and document the relationships between operations and control points. Flow Diagrams provide essential information for other quality planning techniques such as the process FMEA and the Control Plan. Flow diagrams are required for PPAP approval and will be tied to the PFMEA and Control Plan operation steps numerically.

Refer to the AIAG APQP manual for specific details on creating Process Flow Diagrams

7.6 Failure Mode and Effects Analysis (FMEA)

The FMEA assists in the prevention of nonconforming materials and components through a structured analysis of potential failure modes. FMEA's will be used in both product design and manufacturing process planning. FMEA's are required for new or changed products and processes. FMEA's are "living documents" and will be updated for design and process changes, as well as lessons learned throughout the product life.

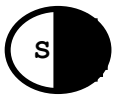
Stant will require a preliminary PFMEA to be submitted in advance of PPAP as part of the APQP process. PFMEAs are required for PPAP approval. DFMEA's are required only if the supplier is responsible for the design of the supplied products.

Refer to the AIAG FMEA manual current revision for specific details on creating FMEA's. Suppliers are required to adhere to Stant specific requirements in addition to AIAG and ISO/IATF requirements.

7.7 Product Characteristics Classification SC/CC Standard

There are two different types of product characteristics:

1. Significant Characteristics (SC) are product characteristics that may affect the:
    - Form, fit, or function of the product
    - The production (Assembly) process
    - Identified by the symbol to the right in Stant Control Plans



These characteristics are designated in the DFMEA or PFMEA, having a causal relationship to the effect of potential failure modes rated 5-8 for severity and a 4-10 for occurrence.

2. Critical Characteristics (CC) are product characteristics that may affect:
    - Safety of product or operator
    - Compliance with legal requirements
    - Environmental requirements.
    - Identified by the symbol to the right in Stant Control Plans

These characteristics are designated in the DFMEA or PFMEA having a causal relationship to the effect of potential failure modes rated 9-10 for severity, or where agreed by the cross-functional team. CC characteristics may be influenced by the manufacturing process (Stant and/or suppliers) and may require special control to maintain the required process capability and customer requirement. AIAG SC and CC guidelines should be followed.

7.8 Control Plan

A Control Plan is a document that summarizes the supplier's methods to assure continual conformance to drawing, specification, and Quality First requirements, as well as "fitness for use" for a specific part or family of parts. It provides an effective way for suppliers to develop and document quality controls for products and to review changes made after production begins.

Refinements to Control Plans are encouraged as more data about the process becomes available. Changes of significance (Form, fit, function, durability, appearance or level of control) are to be approved by Stant via PPAP submission. Changes of no significance (Document format, spelling, etc.) do not require Stant approval. If there is any question concerning approval requirements, contact your Stant SQE for direction.

Control plans will include reference to a minimum annual dimensional layout, functional test, chemical test, and / or material analysis by the supplier. Stant designated CC/SC's will have SPC control referenced in the control plan and SC's will have process "mistake proofing" to further assure 100% quality is received at Stant. Mistake proofing controls will be referenced in the control plan, including the supplier's method of minimum daily verification of the continued function of such controls. Stant will require preliminary control plans to be submitted in advance of PPAP as part of the APQP process. Completed control plans need to be submitted for PPAP approval.

IMPORTANT NOTE:
Stant relies upon the supplier to be the expert with regard to the manufacturing and quality of the product being purchased. Stant's approval of supplier control plans is required to ensure conformance to the AIAG current revision and Stant "Quality First" requirements. Stant's approval of a supplier's control plan is in no way to be interpreted as unconditional approval of the process, or quality of materials / components produced by the process and supplied under that control plan. The responsibility for supplier quality remains with the supplier at all times.

Links between Process Flow Chart, PFMEA, and Control Plan need to be established and easily recognizable on these documents! References indicated on Process Flow Charts and Control Plans should be available and provided on request.

Refer to the AIAG APQP manual current revision for specific details on creating control plans. Suppliers are required to adhere to Stant specific requirements in addition to AIAG and ISO/IATF requirements.

7.9 Gauging/Tooling Requirements

Suppliers contracted to design and manufacture tooling, equipment and gauges that are funded by Stant or our Customers are required to provide a detailed drawing of proposed tooling, equipment and gauge designs to Stant Quality and Engineering for approval and sign-off prior to commencing work.

Tooling and equipment designs will adhere to the Stant applicable riders that are supplied with the purchase order. Final tooling, equipment, and gauge detailed drawings will be supplied to Stant in an electronic format such as IGES, Unigraphics, AutoCAD or other agreed upon format.

It is the responsibility of the supplier to deliver parts according to the drawing dimensions and tolerances. To assure this, the supplier will have to build gauges and other measurement devices for their own in-house use. The design and function of those gauges will be reviewed and discussed during the Tech Review.

Gauging to be discussed in Tech Review and aligned according to Customer and Stant requirements, per drawing definition. In addition, Stant may require a second set of gauges for incoming inspection in the Stant plant. The need for the second set of gauges will be part of the commercial agreement with the Stant Procurement Department.

Stant Supplier Quality may, at its discretion, require gauge correlation studies, boundary samples, and detailed measurement process instructions to assure comparable measurement results.
Supplier gauges should be capable of meeting the Measurement System Analysis (MSA) guideline in accordance with AIAG standards and be certified by an accredited body.

7.10 Measurement System Analysis (MSA)

Refer to the AIAG Measurement Systems Analysis (MSA) manual current revision for specific details on conducting GR&R studies.

7.11 Process Capability / Statistical Process Control (SPC)

Refer to the AIAG Statistical Process Control (SPC) manual current revision for specific details on appropriate implementation of SPC, as well as available SPC methods.

7.12 Lot Size

Supplier lots should be the quantity of products produced under similar conditions such that the products within the lot are expected to be homogeneous in significant attributes. Maximum lot size will not exceed any of the following:

- One 24-hour period.
- One batch of product produced in a batch process
- One lot of raw material.

Some processes may require a lot number change based upon major process changes, set-ups, or adjustments within the material lot; in these cases, the material lot identifier will be readily traceable from the lot number change.

Each lot number will contain homogeneous components or raw materials. If a specific product and / or manufacturing process does not lend itself to these requirements, alternate methods may be used if approved in advance by Stant SQE.

7.13 Lot Traceability

For Stant products, the supplier will establish and maintain procedures for identifying the product during stages of production including receipt, work in process, storage, and delivery. In addition, lot traceability of sub-components, raw materials and process inspection data will be maintained. Each production lot will be identified by a supplier lot number. The supplier may ship more than one lot per pallet, but each container on the pallet should contain only parts from one lot, unless the parts are individually and discretely serialized.

The supplier lot traceability system will provide for the following situations:

- Permit isolation of suspect product on a precise basis based upon lot number on each container.
- Barcode identification of supplier lot number on each container. This lot number should be the key to traceability in the supplier's system.
- Isolated causes of failure and corrective actions taken at minimal cost to supplier and Stant.
- Determine traceability to component lot numbers and production / quality data specific to the lot number identified on the container (backward traceability).
- Determine supplier finished product lot number(s) produced with a given lot of components or on a given shift of production (forward traceability).
- Each lot of die colorant for plastics.

7.14 Record Retention

Supplier records will be retained for the length of time required by the current revision of ISO 9001 or IATF 16949 and referenced AIAG documents. Suppliers need a procedure for record retention, which defines the retention period for Supplier records (those referenced in ISO 9001 or IATF 16949 and other records generated by a supplier), as well as archive and disposal procedures. Quality records will be made available to Stant upon request.

7.15 Product Handling, Storage and Delivery

Suppliers will establish, document and maintain procedures for handling, storage and delivery of product per current revision ISO 9001 or IATF 16949 requirements. Suppliers will also conform to any specific requirements documented on the Stant purchase order or drawing / engineering specification. Stant specific requirements are as follows:

Handling: The supplier will utilize methods of handling that prevent damage or deterioration before, during, and after the manufacturing process.

Storage: The supplier will utilize secure storage areas to prevent damage or deterioration of product pending use or delivery. Appropriate methods for authorizing receipt and dispatch to and from such areas will be stipulated in order to maintain control and assure FIFO (First In – First Out). In order to detect deterioration, the condition of product in stock will be assessed during the supplier's "Internal Quality Audit" process per current revision ISO 9001 or IATF 16949 requirements. Shelf life will be monitored, as

applicable, to ensure products shipped to Stant have greater than 50% of the original shelf life remaining, unless approved in advance by Stant Production Control. Shelf life expiration date and / or product manufacture date will be identified on each carton / container. Special storage condition requirements (i.e., temperature / humidity levels) will be determined, and implemented, to prevent deterioration during storage at supplier locations.

Delivery: The supplier will arrange for the protection of product quality subsequent to manufacture. This protection will include delivery to destination. The supplier is responsible to design and utilize packaging which is most cost effective and ensures that when the product reaches Stant it is conforming and "fit for use", regardless of F.O.B. terms, (With the exception of blatant carrier damage and / or neglect). Suppliers are responsible to ship finished product to Stant on a FIFO basis.

Suppliers will notify Stant Plant Material Control and Purchasing in advance of any planned shutdowns or extended downtime that will affect shipment schedules. This notice will be communicated as far in advance as necessary to provide sufficient time for the supplier to produce and ship inventory to cover the downtime period.

Suppliers are required to ship on time per Stant release schedules and quantities. Over shipments may be rejected and returned at the supplier's expense, short shipments may require expedited shipments at the supplier's expense. Additionally, packing slips should accurately reflect the Stant purchase order number, part number, revision level, and quantity shipped. Discrepancies may result in customs issues where Stant is moving the material across borders for production. Such incidents may result in a supplier VMIR/chargeback to recover any related costs to Stant.

7.16 Prototype / Pre-Production Product

All parts being received for prototype and production evaluation and sign off for release or changes must have a First Article inspection completed on them. The method of inspection must first be agreed to in writing between the vendor of the component and the Product Engineer, prior to submitting the samples and data.

Minimum requirements are as follows:

- At least 5 pieces per cavity or fabrication method are required for each non-critical dimension
- At least 30 pieces from random cavities are required for all significant and critical dimensions with capability data provided.
- *If minimum quantity of parts are not possible to be evaluated due to significant sample size or other issue, a written agreement of sample size must be agreed to and documented prior to conducting the evaluations. This must have the Product Engineer's written approval before evaluations begin.

In addition, all parts submitted by the vendor must be provided at no cost to Stant for evaluation. Parts will be further audited at an outside third party inspector or internal to Stant to confirm data and parts provided by vendor meet print and model specifications.
Should the parts be found to be in non-conformance, Stant will notify the vendor and discuss changes or corrections to bring the parts into compliance for a resubmission.

Once the parts are confirmed to meet print and specifications, the Product Engineer will sign off on the data; provide a copy of the approval to the Stant quality engineer to document in the PPAP record. The vendor will receive an approved PPAP indicating the parts are in compliance to Stant's print and specifications.

Non-conforming product shipped is subject to rejection / return and VMIR/chargeback for any related costs incurred by Stant as a result of the non-conformance (product built, test failure, customer impact / costs, etc.).

7.17 Process Audit

Stant may perform a process audit at the supplier site according to the Wall to Wall Process Audit questionnaire. Process audits may be performed by Stant for critical components, products, systems, or services, in the case of recurring nonconformance's, or any other reason at Stant's discretion.

7.18 Early Production Containment (EPC)

The supplier will provide Early Production Containment Report for Prototype and First Off Tool (FOT) samples. This is required for the first batch produced from a new or modified drawing, after a change of the manufacturing process, or as directed by Stant purchase order. Early Production Containment is a representative sample from the batch, which will be 100% inspected for conformance to mechanical and/or performance requirements and should also include Material Certifications.
Supplier will develop a plan to monitor the initial delivery of components, products, systems or services to ensure that the manufacturing/delivery process is generating the quality level expected by Stant. The plan may involve submittal of initial samples or demonstration of services by the supplier.
Initial parts or samples, if required, need to be manufactured with the final means and representative of series production component or systems. They should be dispatched on time for the attention of Stant supply chain department. A specific label with at least the following information: quantity, part number, and index of the drawing, will be provided by the supplier.

The plan should include necessary actions to detect and contain any nonconformity. The plan should also include corrective actions to be taken in case of non-conformance. This plan should be submitted and approved by Stant SQE.

7.19 Additional Labeling Requirements

In certain situations, it is necessary to place additional labels on the box and skid to identify the parts and keep them segregated from similar parts.

- Prototype, pre-launch, engineering changes, certified stock are some examples of the need for additional labels.
- Suppliers should work with the Plant SQE's to insure parts are being labeled correctly in each situation.

7.20 Run at Rate / Launch Readiness Review

To ensure that new components meet yield, rate, and quality requirements, Run at Rates are required. Run at Rates are mandatory on newly tooled components, components with significant volume increases or components with changes that require significant process or assembly changes. Run at Rates may be customer monitored (Witnessed by Stant personnel), or supplier monitored (performed by the supplier with results submitted to Stant). Run at Rates will be successfully completed prior to PPAP approval. If this is not accomplished, a provisional PPAP approval may be issued at the discretion of a Stant SQE.
Specific Run at Rate requirements will be established during the Tech Review. This includes a Supplier Capacity Verification Form. Suppliers will submit this Capacity Verification Form to the respective SQE prior to Run at Rate. This will be reviewed by SQE during Customer monitored Run at Rate.
Additionally, Stant may decide to conduct a Launch Readiness Review (LRR) onsite.
Suppliers will be notified in advance of this requirement and will be provided with specific requirements (Agenda, checklist, etc.) in order to prepare for the review.

7.21 Tooling

7.21.0 Tooling Requirements

Plastic Injection Molds and Progressive Stamping Dies
These tools require cycle counting devices. The counting device is to be activated upon completion of manufacturing. Cycle counting device verification picture photo required with Tooling Audit Checklist.

7.21.1 Tooling / PPAP Progress Report

- Stant SQE will monitor the tooling progress based on the timeline agreed upon in the Tech Review meeting.
- Supplier should submit a bi-weekly PPAP Progress Report to the Stant SQE.
- The PPAP Progress Report will list major steps through the APQP process including design, construction and qualification process, up to PPAP approval and EPC.

7.21.2 Tool drawings

The supplier is required to submit one complete set of “as-built” tool drawings in the form of a 2D electronic drawing and a 3D Model (In a Stant approved format) to Stant Supplier Tool Engineer along with additional support documents as required.

7.21.3 Tool Identification

Every individual die, mold, mandrel rack, fixture, gage, nest, tool, etc. purchased by Stant should be permanently identified. Verbiage requirements vary by customer. Customer requirements will be given to supplier/vender by Stant Supplier Tooling. If the tool cannot be identified for some reason (available space, material hardness, etc.), there will be special instructions given.

- Permanent methods of identification are stamping, engraving, and tagging.
- Tag’s will be metal and attached by rivet or screws.
- All letters & numerals must be readable.

7.21.4 Tool Verification

Any tool that was identified will be verified by picture photo. JPEG picture photo format works best, photos attached to an excel document like the Tooling Audit Checklist will also be accepted.

Tooling that does not open or close requires picture photos of:

- Entire tool with identification in sight
- Close-up of the identification with enough surrounding area to confirm identification of said tool.

Tooling that opens or closes “molds & stamping dies” requires picture photos of:

- Entire tool with identification in sight
- Close-up of the identification with enough surrounding area showing to confirm identification of said tool.
- Top side open so all cavities or tools can be seen & counted.
- Bottom side open so all cavities or tools can be seen & counted.
- Cycle counting device per section (7.21.0)

7.21.5 Tooling Audit Checklist

The checklist is an excel document that will be emailed to the Supplier by Stant Supplier Tooling. Return the checklist to Stant Supplier Tooling as an excel document, which when attached to an email, will be considered a signature. Questions on the checklist should be forwarded to Stant Supplier Tooling.

- Stant expects to receive tooling cad data and drawing files along with the checklist, if the files are so large they cannot be emailed, mail them on a flash drive or they can be transferred by your companies Drop Box or FTP site.

7.21.6 Final Tooling Payment

The final tooling payment will not be released without completion and acceptances of verification picture photos, tooling audit checklist, and receipt of tooling cad data & drawing files.

7.21.7 Tool Failure

Report tool failure to Stant Supplier Tooling by providing:

- Picture photos of tool wear; making it clear where the failure is.
- Picture photos of defective parts; making it clear where the defect is.
- Projection of remaining tool life without any service.
- Tool Maintenance Log.
- Refurbishment quote with a detailed breakdown of service and tool life projection.
- Replacement quote with a detailed breakdown of replacement including tool life agreement.

7.21.8 Tool Disposition

No tooling can be disposed of without Stant Supplier Tooling notification & approval.

7.21.9 Tool Storage

The supplier is required to provide an accessible storage area where tagged Stant / Customer tools are located. If any tooling is stored off-site, approval will be supplied by Stant Supplier Quality Tool Engineer prior to any tool movement. Any tool independent of the ownership should be stored and available for production for fifteen (15) years after End of Production (EOP). The supplier is responsible for proper storage and to apply proper protective methods (Corrosion protection, etc.). The supplier will provide a list of tooling inventory every second year, or by request.

7.21.10 Tool Maintenance

The Supplier will have a documented process and schedules for Preventative Maintenance. The maintenance schedule should include Stant or Stant Customer owned equipment and tooling. Supplier is responsible for identifying and stocking critical spare parts as to minimize Stant risk.

7.22 Error Proofing

During the APQP process, the Supplier will implement necessary error proofing into the manufacturing process to eliminate or reduce the manufacture of defective product. The error proofing methods and devices will be recorded in the PFMEA and Control Plans.
Error proofing devices will be verified with the use of “red rabbits” at least once a shift and records kept to ensure the device is continuing to function effectively.

7.23 PPAP

PPAP's are submitted in accordance with AIAG's most recent PPAP manual and the individual customers' Customer Specific Requirements.

Supplier will submit Level 3 PPAP documentation at a minimum unless otherwise agreed upon in writing from Stant Supplier Quality Engineer. Data needs to be submitted to IMDS database by the Supplier prior to PPAP. PPAP's are to be submitted electronically. The Stant IMDS ID to submit to is 94110.
Suppliers are expected to maintain a record of PPAP documentation submitted including approved PPAP parts.

The supplier will develop an Early Production Containment (EPC) plan. It will be approved by Stant Supplier Quality. Stant Supplier Quality may require the continuation and/or modification of EPC if defects escape the supplier while EPC is in operation.

PPAP and Quality records to be kept by supplier for product life plus one year or if the product has a safety requirement product life plus 15 years. the minimum run size for a PPAP is 300 pieces unless otherwise agreed in writing by Stant Supplier Quality. Six sample parts are required for each PPAP submission, per cavity or impression. These parts will be suitably identified and sent to the appropriate Plant Quality Engineer.

Suppliers are also required to perform annual validation and layouts to ensure product meets quality, functional and appearance guidelines.

7.24 Containment Requirements (Early Production Containment (EPC))

Stant requires Suppliers of production parts to utilize a containment program for pre-production, ramp-up, system fill and for any product manufactured after a shutdown of 5 or more consecutive days. Containment will be kept in place until Stant or the customers exit criteria is met. This means that the Suppliers process is capable of sustained production meeting contractual requirements.

Acceptable containment processes are those that met the same intent as "EPC".
Data collected from the containment process needs to be made available to Stant personnel as required.

Suppliers shipping parts under EPC will create a separate label, placed on each container, based on requirements from the Stant SQE.

Exit criteria for the EPC is shipment of zero defect parts that meet either the defined period of time or number of pieces. Any defect discovered during the EPC period restarts the event to "0" pieces shipped.

7.25 Process and / or Product Change

Unapproved changes are not acceptable; they put at risk our processes and those of our customers. Any requested changes will be initiated with a formal Supplier Change Request (SCR), to Stant commodity buyer followed by a PPAP meeting the conditions required for re-submission as detailed in AIAG's PPAP manual and applicable Customer Specific Requirements.

Any request for changes will be addressed to the respective Stant Engineering Representative and Stant Commodity Buyer. Approvals to a request for change need to be obtained before implementing the change. A deviation may be obtained from Stant Engineering in the form of a signed Design or Process Concession.

In the event that a Supplier wishes to submit a request for deviation, the following conditions will be met:

1. Requests will be submitted to the Buyer, Stant Plant Quality Manager and Stant Supplier Quality Engineer in writing using the Supplier Deviation Request Form.
2. Suppliers should attach a Deviation Label, to be printed on an 8-½ x11 sheet of paper, and placed on 2 sides of every container/box, stating “Part Shipped under Deviation”: number of parts shipped and expiration date.
3. Request is to be submitted with supporting documentation such as statistical, process capability date, testing results and/or drawings.
4. Suppliers may not ship product without deviation approval.
5. Any costs associated with the deviation are the responsibility of the Supplier.

Stant expects its Suppliers to verify and document the product dimensional before and after each approved SCR. They are to communicate any issues or concerns with the design, material, performance, appearance, durability or any other key characteristic based on their expertise, knowledge and lessons learned from similar products.

Required written approvals and PPAP resubmissions are required for:

- Changes to previously approved materials or sub-Supplier’s material changes
- Changes or modification of product specifications.
- Changes to process or method of manufacture
- Changes to the inspection process, methods or equipment.
- Change of sub-suppliers.
- Changes to any inputs supplied by your tiers.
- New start-up after a 12-month decommissioning period
- Transfer of manufacturing location
- Rework processes, whether in process or off line.

Suppliers should attach an extra label, details to be determined by the Stant Plant SQE, when there is a part number or engineering change. This will be done for the first 3 shipments delivered to Stant plants, or the number of shipments approved by a Stant SQE, before the Supplier can be removed from this process.

The Supplier will be held liable for any cost incurred by the changes made without obtaining a written supplemental Purchase Order or an approved Design or Process Deviation. The Suppliers will not be paid for product, tooling, processing equipment, etc. until the change is approved.

The Supplier will notify the Stant SQE if there is a change in program timing and risk to meeting agreed upon tooling completion or PPAP date. Supplier will be required to add additional resources and/or work additional hours (7 days, 24 hours) to ensure date is met.

The Supplier should allow Stant to review product and process development and planning via on-site review and confirmation during development or at any time during part production, if requested.

For changes initiated by Stant or our customers, the Stant Procurement Department will be the point of contact for formal notification to Suppliers of drawing/design changes via a purchase order amendment.

It is the supplier’s responsibility to ensure production processes are launched in such a manner that they will not adversely impact Stant or its customer’s production processes to meet timing and quantity.

Documentation will reflect the specific information (i.e. Part/drawing numbers, part/drawing revisions, supplier code, etc.). A copy of the part drawing or design record (matching the latest revision requested) should be submitted or available for review. This drawing will be ballooned, that is, dimensions, specifications, notes, etc. will be labeled or numbered in an orderly fashion and correspond to the Dimensional/Material/Performance Results. When the design records are in electronic format, the supplier will submit this information in place of the normal "paper" drawing. This includes notes and specification pages.

Supplier should verify compliance to drawing requirements. This includes dimensions, tolerances, notes, material/performance specifications, etc. The correct way to do this is to number (or label) print requirements and then correlate the numbers to the actual data (dimensional or material/performance data) that proves compliance. This needs to be completed for each unique cavity, tool, machine, production line/process, mold, etc. For new parts or tooling, the supplier will perform a full dimensional layout on at least six (6) parts from each cavity if multiple cavity tooling exists. For changed parts or tooling, the supplier will perform a dimensional layout on at least six (6) parts from each cavity, of dimensions affected by changes.

Any authorized engineering changes that have not been recorded in the design record but incorporated in the product, part, or tooling should be included. If specified by Stant, the supplier will have evidence of engineering approval.

7.26 Non-Conforming Product

When non-conforming product is found in a Stant facility a Vendor Material Inspection Report (VMIR) will be issued to the Supplier. This format may also be used to communicate other types of failures including delivery issues, warranty, PPAP delays, or other required documentation rejections/delays.

Stant requires the Supplier to notify us as soon as non-conforming product is found and if potential similar conditions may exist with product in transit or already at the Stant manufacturing plant location.

When Stant finds supplied product to be non-conforming, the product will be tagged, segregated and the Supplier will be notified for immediate action to be taken by replacing product with certified material, and/or providing on site sort requirements. Any suspect material in Stant will be dispositioned by the Supplier within 48 hours or two business days. Failure for the Supplier to issue an RMA in this timeframe may result in the parts being scrapped at the Supplier's expense.

In the event that non-conforming material is received by Stant, the Supplier is required to take immediate containment action in less than 24 hours to isolate Stant from further delivery of defective material. The supplier will provide a detailed problem solving analysis and 8D within 10 business days. When required, the specific OEM format will be used to document the permanent corrective action.

Costs incurred by Stant due to poor product quality, non-conforming product, and delivery not meeting contractual requirements will be charged back to the Supplier.

Stant expects Suppliers to deliver material ready for use without the need for incoming inspection.

The Supplier is required to account for and document the disposition of non-conforming material, Stant at its sole discretion, may request formal confirmation/photos of the disposal and/or scrapping of non-conforming or obsolete material.

7.27 Corrective Action

When corrective actions are required, they will be addressed in the following manner:

- First response within 24 hours of receiving VMIR using Stant's corrective action 8D format addressing containment action.
- Full root cause analysis and systemic corrective actions to be submitted within 10 business days.
- PFMEA's and Control Plans will be updated to reflect the corrective actions taken.

Stant Corporate SQ or Stant Plant SQE may follow up with a visit to verify corrective action implementation.
Corrective action submissions are to be in electronic media.

7.28 Quality Rejection Costs

Costs incurred by Stant due to a supplier not adhering to Stant quality and delivery requirements will be charged back to the responsible supplier. This includes customer issues, scrap, warranty, and other issues. A Chargeback/Cost Recovery report will be issued to the supplier referencing the issue and costs to be reimbursed by the supplier. An administration cost will be added to address costs for Stant to manage these concerns. This can vary based on the location of the Stant facility and the labor costs for people involved. Stant creates these chargebacks to recover actual costs incurred by Stant.

Region	*Man-Hour USD$*	*Downtime USD$*	*Sorting USD$*	*VMIR Admin USD$*
United States	*$100/hour*	*$100/hour*	*$100/hour*	*$350 per occurrence*
Rest of World	*$50/hour*	*$50/hour*	*$50/hour*	*$200 per occurrence*

If the Stant facility has to work weekends or work additional hours outside their regular scheduled production, overtime will be added to the man-hour cost.

Cost structure may be adjusted based on negotiations or other factors taken into consideration.

7.29 Controlled Shipping

In the event of unacceptable quality or delivery performance, the Supplier will be notified through the VMIR process the necessity to institute controlled shipping on the product. This is at the discretion of the plant SQE and depends on the significance of the issue. There are two levels of controlled shipping.

Level 1 (CS1) – First Time Occurrence. The Supplier is expected to:

1. Identify the person responsible for the inspection activity
2. Have an area separate and distinct from the manufacturing operations to conduct additional inspection and certification of product identified by Stant.
3. Specify the identification of certification to be used on the product. Containers are to be labeled with a green dot and dated or as otherwise specified by the Stant SQE.
4. Report the type and quantity of defects found in the CS1 activity by the use of Inspection charts, etc. as required.

Level 2 (CS2) – A reoccurrence of supply problems and action taken to date by the Supplier are insufficient to stop the flow of poor quality. A letter will be sent out by Plant Quality to inform Supplier they have been placed on CS2 containment. The Supplier is expected to:

1. Identify the person responsible to the activity.

2. Retain an independent third party to monitor, measure, inspect and identify product identified by Stant.
3. Have an area separate and distinct from the manufacturing operations to conduct the agreed upon containment activity.
4. Specify the identification of certification to be used on the product. Containers are to be labeled with a green dot and dated or as otherwise specified by the Stant SQE.
5. Report the type and quantity of defects found in the CS2 activity.
6. Maintain CS1 activities in addition to CS2.
7. Exit criteria will be specified by notification from the Stant SQE.

Failure to comply with CS2 activities can result in Stant, at our discretion, setting up CS2 at our facility and charging it back to the Supplier.

Supplier will be removed from controlled shipping when inspection data shows no defects found for a minimum of 30 days for the specified defect or concern. Stant Quality personnel will review the data, issues, verify corrective action and a potential site process audit may occur.

8.0 Materials Management

8.1 Planning Schedules

Products may be ordered by issuance of a Spot Buy for a specific quantity or through a Blanket Purchase Order supported by Planning Schedules.

Releases will be communicated through a variety of options including Supplier Portal, Plex, or Electronic Data Interchange (EDI). If the release is not received, it is the Supplier's responsibility to notify their designated Stant Material Representative.

8.2 Delivery Schedules

Deliveries are to be made both in the quantities and at the times specified in Stant's Firm Schedules or as authorized in writing by the designated Stant Material Representative. Dates specified on the release are arrival dates at our dock.

Time is of the essence. Suppliers who are unable to meet requirements from Stant for the specified delivery date, quantity, and quality will notify Stant's Material representative immediately. Note that this communication does not alleviate the Supplier of any of the potential related costs and penalties associated with being past due or shipping defective material. During such delays, Stant may, at its option, buy the goods from other sources and reduce its schedules to Suppliers by such quantities without liability to Stant.

Any excess costs resulting from unauthorized multiple shipments, past due requirements and/or unauthorized truck lines will initiate a VMIR to the supplier.

8.3 Documentation

Products will not be considered received until Stant receives required documentation. Stant reserves the right to reject and return such products, at the Supplier's sole expense if documentation is not properly executed.

8.4 Cumulative Material and Forecasting

Stant's maximum liability or exposure is limited to 6 weeks' cumulative raw material (4 weeks), work-in-process and finished goods (2 weeks). Stant is not responsible for any raw material, work-in-process and/or

finished goods in excess of the times stated above. Quantities on the planning schedule beyond the cumulative dates above are for planning purposes only. In the event that additional lead-time is required, the Supplier should obtain prior written approval from the Stant Purchasing Team.
Forecast information will be supplied to Suppliers through rolling production releases. Forecast information is provided as an indication of the requirements of Stant, but is not considered binding except as provided in paragraph above.

In order to support changes in production rates, replace failed or damaged product and emergency requirements, Supplier will establish procedures and maintain adequate product to support Stant's production requirements for 100% on-time delivery. As a minimum, such procedures will be capable of supporting a 20% volume increase in production within 24 hours of notification. Suppliers need replacement parts for equipment failure on site or available to them within a reasonable time to be able to support Stant production requirements. If for any reason Stant requirements are in jeopardy of being met the Supplier will always contact their Stant Representative immediately.

8.5 Packaging Requirement

Packaging will be co-designed to ensure that the integrity of the product is maintained throughout the supply chain.

Returnable containers are the preferred packaging method if total cost is justified. The containers are to be controlled and returned to the Supplier for reuse.
"Returnable" pertains to Supplier owned or Stant owned containers such as plastic or metal bins, racks, pallets, trays, separators, and/or loose components. It is the Suppliers responsibility to remove old labels from returnable containers.

Note: Cleanliness, maintenance and necessary replacement of returnable packaging and dunnage is the responsibility of the supplier and a requirement to ensure product integrity throughout the supply chain.

Returnable containers and internal dunnage will be pre-approved by Stant. Packaging proposals by the Supplier will be submitted to Stant Corporate Purchasing for approval and be signed-off by a Stant Packaging Engineer prior to implementation.

Products shipped to Stant plants will be clean and free from contamination. Any cleaning chemical, preservative, or lubricant will be reviewed and approved for use on Stant parts by Stant Engineering.

In the event that returnable packaging is not available, or used, an approved expendable packaging solution will be available to avoid any interruption to Stant shipments. If a shortage is ever foreseen the Plant Materials Planner and/or Manager need to be notified immediately.

8.6 Notification of Shipments

An Advance Shipping Notification (ASN) will be sent to the Stant Materials Representative within 59 minutes of shipment leaving the Supplier's facility.

In the event of a known shortage or late shipment, the Supplier will immediately contact Stant's Materials Team to notify them of the situation. The Supplier will also indicate the anticipated time of delivery of expedited material.

Suppliers will immediately notify Stant of any circumstances that it anticipates may cause a delivery delay, quality concern or otherwise impact the Supplier's performance of its contractual obligations. The

notification should include information on the estimated period of delay, the reason, and what is being done to rectify the situation. If requested by Stant the Supplier will, at Suppliers risk and expense, use additional effort, including premium freight such as airfreight or other expedited routing to avoid or minimize delay to the maximum extent possible. If the supplier cannot submit ASN through EDI for any reason the Stant Plant's Materials Team will be notified and products can be shipped manually using Stant's Supplier Portal (PLEX), or another option approved by Stant.

8.7 Identification Labels

It is a Stant requirement that inbound shipments be labeled in accordance to PLEX label requirements unless otherwise specified in writing by Stant.

Containers will have a Production / Service Bar Code Label, affixed to the upper right hand corner of at least two adjacent sides. If the container is returnable, Suppliers will ensure that old labels are removed and replaced with new ones. Label needs to be legible, able to be scanned, and unobstructed from banding or other packaging materials.

Products received by Stant will contain a serial number that is clearly identified on each label and every container. Suppliers can add date codes etc. within their allotted space.
Mixed loads are not preferred, but if a supplier does ship a mixed load a "Mixed Load" label will be on mixed pallet loads and clearly identified. In the event of a mixed pallet, every effort should be made to ensure that the smaller quantity part is loaded as the top layer of the pallet.

Suppliers supplying materials to Stant, which are considered to be "controlled" under regulations such as Workplace Hazardous Material Information Systems (W.H.M.I.S.), will be familiar with and comply with such regulations, for packaging and shipping.

In addition, Supplier needs to follow appropriate guidelines and rules relating to the country of receipt.

Material Safety Data Sheets (M.S.D.S.) will accompany initial shipments and will be marked to the attention of Stant's Health and Safety Representative at the Stant operation.

The Supplier needs to provide verification of the composition of the material used and their individual components as well as aspects relating to the environment. Supplier will input the IMDS/Reach data into the system prior to delivery of the first samples or PPAP package.

9.0 Logistics

9.1 Transportation & Freight:

Suppliers will use specified transportation methods as indicated on Stant's Purchase Order and/or accompanying routing letter.

Regular freight, payable by Stant (F.O.B. Seller or agreed Inco terms) needs to be shipped in accordance with the Stant Purchase Order. Non-compliance to these routing instructions will result in debiting back to the Supplier applicable extra shipping charges. Suppliers are expected to contact the approved carrier/logistics provider to set up pick-ups, unless otherwise advised.
Any Suppliers shipping goods F.O.B. Stant or F.O.B. shipping point are responsible for proper coordination of freight to meet Stant's required arrival dates. Any late shipments will be subject to Stant's VMIR policy.

9.2 Expedited Freight

Expedited freight (ground or air) payable by Stant needs to be authorized in writing by the appropriate Stant personnel. Invoices for expedited freight will be accompanied with the written authorization to ensure payment. Excess transportation charges, which have been determined to be the Supplier's responsibility, are to be set up and paid for by the Supplier. If Stant incurs premium freight due to Supplier fault, a VMIR and chargeback will be issued.

9.3 Quantities

Suppliers should ship parts in pack quantities equal to the material releases and may only ship to arrive at Stant on their assigned due date. Any deviation to this has to be pre-approved. Pick-ups for consolidated runs should adhere to shipping schedules without exception. Any delay in shipping to schedule needs to be communicated to Stant immediately to avoid downtime issues. Excess freight incurred because of a missed or late pick-up will result in a VMIR/chargeback to the Supplier.

9.4 Timeliness

It is critical to Stant's operation that shipments leave the Supplier's facility and arrive at Stant on time. Failure to deliver shipments as scheduled may result in charges for Stant production downtime. Suppliers need to notify Stant immediately if the selected carrier does not pick up goods as scheduled.

9.5 Special Handling / Hazardous Material

Stant will be notified prior to shipping any material that requires special handling or bracing or classified as hazardous material for further instruction.

9.6 Quality / Timeliness Issues

If past due or defective material is deemed the fault of the Supplier, the Supplier will bear the cost of excess freight charges required to meet Stant's requirements.

It is the Supplier's responsibility to inform the Stant Plant's Materials department should the Supplier foresee or incur a past due situation for instruction on possible expedites. If contact cannot be made to Stant the Supplier should automatically expedite to avoid a past due situation that could put Stant production at risk. The Supplier will also be liable for costs associated with downtime of Stant and/or downtime costs billed to Stant by its customer.

Any document mentioned in this manual can be obtained by contacting your Plant Supplier Quality Engineer.

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Revision History

Effective Date	Revision Level	Changes
12/22/2014	11	Complete Overhaul / Re-write
01/16/2018	12	Major amendments. Complete Overhaul
09/21/2018	13	Section 5.1 cover further regulation compliance. Update to 7.26 – RMA required within 48 hours. *Note: Changes made to Revision 13 are determined not significant. Training or acknowledgement is not required if the supplier has submitted the acknowledgment document to Revision 12.*
11/14/2019	14	Removed reference to Stant Korea; Updated Suzhou contact information; Updated Section 6.1 related to wall to wall audit requirements; Updated Section 7.16, Prototype & Pre Production Product; Updated Section 7.28 with VMIR cost structure.

Acknowledge Document

Please complete the following

Company Name: _____

Dun and Bradstreet #: _____

Street: _____

City: _____ State: _____ Zip Code: _____

Phone no: _____ Fax: _____

Website: _____ Year Established: _____

Parent Company or Division Name: _____

Overseas Locations: ☐ Yes ☐ No - If Yes, where? _____

Number of Employees: Hourly: _____ Salary: _____

Minority owned business? ☐ Yes ☐ No If Yes, Certification No: _____

	Name	Office Phone #	Cell #	Email
President				
Finance Officer				
Sales Manager				
Plant Manager				
Quality Manager				
Materials Contact				
Customer Service				

Plant / Quality Manager please print off this page, sign, and return to your Stant Supplier Quality Engineer.

I have received, reviewed and agree to comply with the Stant Supplier Quality and Development Manual, Rev. 14.

Date: _____

Signature: _____ Name: _____ Title: _____