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## Document Approvals

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# **TriMark Europe Limited Supplier Requirements Manual**

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# 1. INTRODUCTION

This Supplier Requirements Manual is effective January 1, 2021 and supersedes all previous TriMark Europe Ltd Supplier Requirements Manuals. The purpose of the manual is to provide a uniform method to communicate TriMark's purchasing policies, general requirements, and quality expectations to Production and Process Suppliers in the Supply Chain. It is complementary to the TriMark Europe Ltd Purchasing Terms and Conditions which contains further contractual requirements and as such, both documents must be considered together.

This Supplier Requirements Manual provides a roadmap for the working relationship between TriMark and its suppliers in order to achieve our corporate strategic goals. In addition, this documentation will help you better understand TriMark's quality expectations, engage more fully in TriMark's quality initiatives, and achieve both robust process controls and continuous improvement in performance metrics. It is imperative that suppliers review and familiarise themselves with this manual to assist them in understanding TriMark's expectations and requirements. **Suppliers are required to flow down these same requirements to sub-tiers and ensure adherence.** Working together with the processes outlined in this Supplier Requirements Manual, we can successfully generate breakthrough quality improvements, create world-class products, and deliver them effectively while contributing to each other's success. Suppliers are expected to control the distribution of this document to facilitate proper replacement of outdated material. Suppliers are always responsible for ensuring they are following the most current TriMark policies and guidelines.

TriMark has built a reputation in the industry for providing custom solutions for enclosure hardware and systems needs in the markets that we serve. Our customers expect the best from TriMark, and our products, services, and systems need to contribute to a positive perception of the company to enhance customer satisfaction. Yet, we need to continually improve to meet and exceed our customers' expectations. **TriMark cannot reach our goals for the future without suppliers fully engaged and more closely integrated with our business. This requires a cultural transformation for both TriMark and our suppliers. Our goal is to develop a supply base that contributes to the success of our business as a true partner, one that collaborates with us to present new innovative ideas, technologies, cost, and process improvements. We will look for suppliers who share our values and who are committed to a zero-defects mindset. We need suppliers who have world-class capabilities with a willingness to grow globally with us. Our suppliers have much to offer and we need to leverage their knowledge and experience to reduce cost and improve quality through earlier, deeper participation in New Product Development efforts and Advanced Product Quality Planning (APQP) processes. Most importantly, we must dedicate ourselves to creating a strong partnership with mutual benefits. We have an exciting opportunity to grow together!**

In the event of any conflict or inconsistency between this Manual and any other instructions with TriMark, the TriMark Europe Terms and Conditions of Purchase override this Manual.

## 2. TRIMARK

### 2.1 Quality and Environmental Policy

We are a leading designer & manufacturer to the on and off road vehicle industries.

We provide latching, door, window systems for the agricultural, construction and leisure vehicle markets emphasizing safety, security, convenience, quality and value.

We;

- Strive to understand and meet the needs of the Customer, Business and Employees
- Provide standard and bespoke, mechanical, electrical, electronic products and systems
- Are responsive and easy to do business with
- Make promises we can keep and keep promises we make
- Comply with applicable legislation, regulations and other requirements to which we subscribe

- Recognize where our business has an impact on the environment & work for continual improvement in the protection of the environment and prevention of pollution
- Encourage employees engagement in quality and environmental activities
- Communicate this policy to employees, temporary staff, suppliers/sub-contractors and make it available to customers and interested parties via Trimark Europe's website at:

<http://www.trimarkcorp.com/tme/Quality.aspx>

- We strive to develop our products, customer services, business systems and environmental performance through a culture of continuous improvement. We also aim to exceed our customers' expectations and meet our obligations and requirements (legal, regulatory or statutory) by setting objectives and targets that monitor the effectiveness of this policy.

## 2.2 Supplier Sustainability Policy

TriMark Europe Limited's vision "proud to deliver excellence in everything we do", is the underlying principle that drives our business. To support this vision we are committed to developing a company culture with the following five values:

We consistently.....

1. Put our customers first
2. Support each other and work together
3. Want to exceed our targets
4. Take accountability for our actions
5. Do the right thing

At TriMark Europe we consider that being part of a sustainable and ethical supply chain is a big part of "doing the right thing". We also recognise that we are part of a complex supply chain and we cannot therefore achieve success in this area without the help and support of our suppliers. In order to clarify our needs TriMark has identified certain governing principles that we require our suppliers to follow. In turn we would expect you to ensure that your suppliers are themselves working to the same principles.

### Sustainable principles for our suppliers

#### General

The supplier shall comply with all applicable legislative and regulatory requirements.

#### Labour and Human Rights

All employees deserve to work in an environment where they are treated with dignity and respect.

The supplier shall ensure that the minimum age of admission to employment is not lower than the minimum school-leaving age. Young people admitted to work must have working conditions appropriate to their age and be protected against economic exploitation and any work likely to harm their safety, health or physical, mental, moral or social development or to interfere with their education.

Work must take place on a voluntary basis and not under the premise of any forced, compulsory or illegal practice. As a minimum, statutory wages must be paid and applicable working time legislation followed.

Discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be prohibited.

Employees shall be free to form and join, or not to join, trade unions and to bargain collectively within appropriate legislative and legal frameworks.

### **Health and Safety**

Employees have the right to a safe and healthy working environment. Suppliers will take all practicable steps to prevent incidents and injuries. Risk assessments, occupational hazards and injuries shall be documented and necessary measures shall be taken to prevent accidents from reoccurring.

Suppliers shall ensure that all employees are provided with necessary instructions, training and personal protective equipment, free of charge, necessary for facilitating safe work methods.

### **Anti- Corruption**

Suppliers shall maintain the highest standards of corporate ethics and work against all forms of corruption and bribery. All business relationships and transactions must conform to local laws and be conducted with the utmost integrity and honesty.

### **Environment**

Suppliers and their supply chain should adopt environmental practices that are sustainable, responsible and that promote the conservation of resources and raw materials. Efforts should be focused on reducing the impact to the environment including pollution prevention and waste management.

All relevant environmental laws and legislation must be respected.

### **Compliance**

TriMark Europe is committed to developing its business with partners who share our sustainability principles as outlined in this policy document. We hope you will agree that these principles are part of “doing the right thing” and that you, as suppliers will work within this framework. Representatives from TriMark will be more than happy to discuss the policy content with you at any time.

## **2.3 Conflict Materials**

On August 22, 2012, the U.S. Securities and Exchange Commission (“SEC”) adopted final rules implementing Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules impose disclosure and due diligence requirements on publicly traded companies that manufacture products containing certain minerals designated as “conflict minerals”: gold, columbite-tantalite (coltan), cassiterite, wolframite, and their derivatives, tantalum, tin and tungsten, that have been mined or smelted in the Democratic Republic of the Congo (the “DRC”), Republic of Congo, Angola, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda or Zambia.

In order to comply to this regulation TriMark will conduct due diligence inquiries of its supply chain regarding conflict minerals that are included in any products, materials or supplies that are delivered to TriMark. By completing any requested documentation, the supplier will assist TriMark in creating an efficient approach to addressing these new regulations. As a condition of all purchase orders issued, TriMark will require its suppliers to complete the Conflict Minerals Disclosure if their products contain conflict minerals.

## **2.4 REACH & RoHS Regulations**

TriMark continues to ensure it meets REACH and RoHs regulations and will in turn request confirmation from its suppliers that parts and materials supplied to TriMark conform.

## **2.5 Capacity**

The supplier should ensure that, with the exception of any disruption in manufacturing caused by a Force Majeure Event, and subject to an agreed maximum product production volume, it has sufficient capacity to meet the supply demand of TriMark as laid out in the purchase order and supply forecasts.

The buyer will, from time to time, require that the supplier publish its capacity plan for TriMark product and

work with TriMark to 'find' additional capacity as and when needed.

### 3. SOURCING/SUPPLY MANAGEMENT

#### 3.1 Purchasing Department

All communication with TriMark ("the Company") shall be conducted through your first point of contact, the assigned Buyer.

#### 3.2 Communications and Supplier Obligations

All documentation and information between Suppliers and TriMark shall be communicated in English.

**Suppliers are to handle all written and personal communications with the Company through Purchasing and Supplier Quality Engineering (SQE)**, unless instructed by Purchasing, for technical reasons, to do otherwise; in which case Purchasing and SQE is to receive copies of all such correspondence and be kept informed of any and all communications.

**Suppliers are to negotiate purchasing contracts and all sales with Purchasing personnel only.** These negotiations shall be conducted ethically and without attempts to influence through offering valuable personal gifts or entertainment.

We encourage suppliers to make available all technical, engineering, systems, policies, product, and services that might improve the Company's present or future use of supplier's products and services.

Suppliers must keep Purchasing personnel informed of any new products as soon as such information is available as well as to suggest ways and means of conducting joint efforts in research and development that might be of benefit to both companies.

Suppliers must timely inform Purchasing of changes in economic or other business conditions that might affect purchasing or operating decisions.

If there are changes to primary contact and/or business structure, TriMark Purchasing personnel should be notified IMMEDIATELY.

#### 3.3 New Supplier Evaluation/Assessment

Suppliers may be approved to do business with TriMark and its divisions upon successful completion of the Supplier Evaluation and, at TriMark's discretion, a Supplier Assessment and Audit. The process includes:

- A request, completion, and review of the Supplier Evaluation, providing information about the supplier's business structure, financials, organizational capability, etc.
  - The Supplier Evaluation must result in a low risk rating before the supplier is considered one that TriMark would commence business with. TriMark may elect to continue the development process with risk, in which case the supplier is required to immediately provide a corrective action plan designed to achieve a low risk rating. The decision for low risk supplier assessment is made on a location-by-location basis and is non-transferable to other supplier locations.

and/or

- Completion of an on-site Supplier Assessment (at TriMark's discretion) including the areas of purchasing, quality, Advanced Product Quality Planning (APQP), engineering, materials, operations, capacity, etc.
  - The Supplier Assessment is used to assess the supplier's capability and processes in accordance with ISO 9001 Quality Management System Standard TriMark requirements, and customer requirements. The assessment evaluates the overall risk



of doing business with a supplier location. Supplier Assessment is used in a variety of circumstances to assess risk to TriMark, reasons which may include;

- A high-risk score on the Supplier Evaluation
- Suppliers using new technology
- New technology to TriMark
- Significant increase in business to a supplier location
- Major project
- Performance issues
- Supplier Development
- Customer Complaint

Suppliers shall immediately notify TriMark of changes in the business environment that affect the approved location. Suppliers may be required to complete self-audits or periodic on-site assessments to assure compliance to TriMark expectations.

### 3.4 Quoting

Requests for Quotes (RFQ) are sent via email with a specification and/or print/drawing attached with required information needed. Note any special characteristics on the drawing when quoting (ref. section 6.3). Timely responses are important to maintaining project timetables. TriMark is committed to respond quickly to our customers to secure future business. A turnaround time of two (2) working days is requested.

All verbal quotations must be confirmed with a written quote.

**IMPORTANT:** Quotes must be returned to the Buyer that requested the quote. Sending the quotation to any other TriMark contact may result in the quote not being considered.

### 3.5 Purchase Orders

TriMark uses a standard purchase order (PO) format. Contact your TriMark Buyer if any information is incorrect or unclear, including: pricing, quantities, dates, revision levels, requirements to specs, etc. Advise if the PO does not agree with applicable minimum order quantity requirements or quantity breaks. **The due date stated on the purchase order is the date the material is to arrive at TriMark's receiving dock; this is not the shipping date. You are required to verify the revision level of the part ordered against the print you have on file.** If they do not agree, contact your TriMark Buyer immediately. Any deviations to the purchase order must be received in writing on the acknowledgement form. Any deviations to the print must be received on a PPCN-Deviation Request form submitted to the SQE. Purchase orders must be signed by an authorised TriMark representative to be valid. All verbal purchases must be followed by a written PO. TriMark Europe's standard Terms and Conditions of Purchase apply to all purchase orders.

### 3.6 Acknowledgements

Suppliers must acknowledge all purchase orders within 48 hours of receipt. The purpose of an acknowledgement is to confirm you have received the purchase order, reviewed it, and have accepted its terms. If there are any questions about the purchase order, the Buyer must be contacted immediately.

### 3.7 Due Dates

TriMark generally follows the lead time quoted in calendar days. Due dates on subcontract orders are calculated using the lead times provided plus additional days for shipping and inspection, if necessary.

**The due date on TriMark purchase orders is the date the material is due at TriMark's receiving dock, NOT the date it is scheduled to leave the supplier's facility.** Plan shipments to arrive at TriMark on or before the due date. TriMark's on-time delivery window is 10 days before and 0 days past the due date. Subcontract suppliers are only measured on zero days late. A supplier's on-time delivery metric will be

impacted if goods are not received within this timeframe.

TriMark reserves the right to cancel purchase orders thirty (30) days past due that have not shipped. TriMark will contact the supplier prior to canceling the PO. Line items shipped within 90% of requested quantity may be considered closed, depending on the situation. Quantities shipped over 10% of the requested quantity may be returned freight collect to the supplier.

On-time delivery is extremely important to keeping TriMark production running smoothly and to ensure on-time delivery to our customers. Any instance where supplied product is received after the due date that causes disruption to TriMark's production or to TriMark's customers will result in applicable chargebacks to the supplier for line down fees, expedite charges, premium freight, air shipment, etc.

### 3.8 Expediting

There are times when the due date needs to be moved up or pushed out. Orders will be expedited for parts that are in, or are anticipated being in, backorder status. These parts must be shipped as soon as possible. If the supplier receives an expedite request, respond within 24 hours with the best ship dates. TriMark expects suppliers to agree to move in an order to a date(s) that can be met. TriMark can agree to accept partial quantities under this circumstance. When considering expediting requests, Suppliers must also review all open orders and advise if they will be affected. TriMark may request to move some orders out, if necessary.

Questions regarding purchase orders, acknowledgments, due dates, or expediting shall be directed to the assigned TriMark Buyer.

### 3.9 Specifications

TriMark provides product specifications for all items. This may include, but is not limited to, a print/drawing (showing revision level), engineering specifications, etc. If a change occurs to the specification, then an updated specification is sent to or made available to suppliers. Suppliers must pay particular attention to the revision level of drawings, specs, documents, etc. If a proposed change affects production of the part, TriMark will involve the supplier in approving and quoting the revised part. **It is the supplier's responsibility to verify the revision level per the PO on all documents.**

If the Supplier has suggested changes to a specification, please submit a Product/Process Change Notification (PPCN) per section 6.10. We believe our suppliers have valuable insight into the design of our products. We welcome changes that will clarify our expectations, contain/reduce costs, improve ease of manufacturing, improve quality, etc.

*All specifications are considered Confidential, no matter what format or media they are communicated in.*

### 3.10 Risk Analysis

Suppliers must possess a business continuity plan to protect TriMark's supply of product in the event of an emergency (e.g. utility interruptions, labour shortages, logistic disruptions, key equipment failure, natural disasters, etc.). Suppliers must inform TriMark Purchasing of plant shutdowns, holidays, etc. to mitigate negative impacts to supply chain activities.

All suppliers for production components, including subcontract operations, and MRO suppliers incorporated into TriMark's products or sold independently shall provide proof of product liability insurance in the form of adequate insurance coverage.

All contractors and service providers shall provide proof of financial responsibility in the form of adequate insurance coverage. Certificates of Insurance are also required from suppliers for MRO (maintenance, repair and operational) items to ensure the safety, health and wellbeing of TriMark employees. Adequate

insurance coverage will be determined by and at the discretion of TriMark's Finance Director.

If suppliers fail to comply with this requirement, the supplier is at risk of being put on Business Hold status until such time TriMark receives the appropriate Certificate or elects not to conduct business with the supplier. Placing a supplier on Hold will result in no further quoting opportunities, purchase orders, etc. for said supplier, but the Hold will not affect existing purchase orders that have already been placed.

### **3.11 Tooling**

Suppliers shall establish and implement a system for tooling management including:

- Maintenance and repair facilities and personnel
- Unique identification for tooling
- Storage and recovery
- Setup
- Tool change programs for perishable tools
- Tool modification, including tool design documentation

The supplier shall be responsible for calibration, proper storage and careful maintenance throughout the life of the tool. When the supplier is not using TriMark's tools to fulfill its contractual obligations to TriMark, such tools shall be stored in a specifically-designated area on the supplier's premises. Upon program completion, the supplier shall ensure gauges & tools are properly stored to prevent any damage and are readily available for service requirements.

Tools and fixtures owned by TriMark must be marked "Property of TriMark" and visually documented in the Production Part Approval Process (PPAP) submission.

### **3.12 Preventative Maintenance**

Suppliers must develop and maintain an effective total preventive maintenance system utilizing predictive maintenance methods to continually improve the effectiveness and efficiency of identified key process equipment.

### **3.13 Obsolete and no longer supplies**

Suppliers must provide TriMark at least 90 days advance written notification of a supplier's decision to obsolete or no longer supply (NLS) a part or service if the supplier owns their own tooling. Suppliers must provide TriMark at least 180 days advance written notice or 2 years from completion of new tool build (whichever is longer) of a supplier's decision to obsolete or no longer supply (NLS) a TriMark owned tooled part or service.

Notification must include:

- Part number and description of part being made obsolete or NLS
- Reason for the obsolescence or NLS
- When the obsolescence or NLS will take place
- What purchase orders will be affected by the obsolescence or NLS
- Part number and the description of substitute parts that are the same in fit and function (if applicable)
- Cost of substitute part, including any quantity breaks or minimums
- Certificate of origin of substitute part
- Return policy/disposition of stock
- Changes to parts or process will be governed by the Product/Process Change Notification (PPCN) process, per Section 6.10 and applicable PPAP requirements

### **3.14 Resolving Issues**

TriMark encourages open and honest communication and makes every effort to deal with suppliers in a respectful and equitable manner. If issues are unable to be resolved with your normal contact, follow the chain of command. For purchased goods, including subcontract operations, chain of command is the assigned Buyer, followed by the Supply Chain Manager and finally the Managing Director of TriMark Europe Ltd.

### **3.15 Propriety Information**

#### **3.15.1 Confidentiality**

Suppliers must sign and adhere to a Confidentiality Agreement before certain types of information are shared.

#### **3.15.2 Customers**

Any listing of TriMark customers made available to Suppliers is the property of TriMark. This information may NOT be reproduced or shared with any third party without TriMark's express written permission.

#### **3.15.3 Trademark Use**

TRADEMARK USE: Trademarks and logos as used on TriMark website(s), product literature, communications, or other representations in the name of TriMark are registered and unregistered trademarks of TriMark. Supplier agrees that it will not, without prior written consent, use and/or associate TriMark's trademarks with any of the supplier's sales or marketing of their process, components, or products.

Suppliers are advised that TriMark will aggressively enforce its intellectual property rights to the fullest extent of the law.

### **3.16 Termination of Business Relationship**

#### **3.16.1 Advance Written Notice**

TriMark requires no less than 90 days advance written notice, with no tooling or supplier-owned tooling if a supplier wishes to terminate the business relationship.

#### **3.16.2 Propriety Tooling**

TriMark requires no less than 180 days advance written notice or 2 years from completion of new tool build (whichever is longer) if a supplier wishes to terminate the business relationship when there is TriMark owned proprietary tooling at the supplier's facility. TriMark may waive the 2-year requirement at their discretion. If the supplier is ending the business relationship, the supplier will pay to ship the proprietary tooling back to TriMark. If TriMark ends the business relationship, TriMark will arrange to move its proprietary tooling. If the supplier owns TriMark proprietary tooling, TriMark will either purchase it from the supplier and arrange to move it or arrange to scrap the tooling.

#### **3.16.3 Warranty Agreement**

In the event that the business relationship between TriMark and the Supplier ends, the Supplier will continue to cover the costs associated with any failure related to the supplied components,

materials, or sub-assemblies within the TriMark warranty period (18 months from date of delivery or 12 months from original OEM sale date) or the duration of final customers' warranty, whichever may be longer.

Questions about terminating the business relationship shall be directed to the Buyer.

## 4. PAYMENT TO SUPPLIERS

Conditions of payment are those defined in the Terms and Conditions of Purchase

### 4.1 Invoice Documentation

All invoices for payment and any credit notes must be sent to the Buyer by post to TriMark Europe Ltd, Unit 3 Sence Court, Bardon Hill, Coalville, Leics. LE67 1GZ, UK or by email to [accountspayable@trimarkeu.com](mailto:accountspayable@trimarkeu.com)

All invoices and credit notes must contain the following information:

- the P.O. number and packing slip number;
- the part number, which should be referenced exactly as it appeared on the P.O., including any suffixes that have been added to the Supplier's part number;
- the quantity of goods ordered, the quantity of goods shipped and quantity of goods back ordered (if applicable);
- the price of the goods;
- Ship date and method of shipment;
- Shipping number or bill of lading number;
- Bill to and ship to address.

### 4.2 Credit Notes

Where the buyer receives a Debit Note from the Buyer, or is otherwise required to repay the buyer any monies under these conditions, the Supplier shall issue a Credit Note containing the following information:

- The relevant TriMark Debit Note number, including an explanation if the amount as stated is different from the TriMark Debit Note
- PO Number
- Warranty Claim number

## 5. SUPPLIER SHIPPING/PACKAGING

### 5.1 Packaging General Guidelines

- Ensuring part quality, as well as designing, purchasing and maintaining packaging is the responsibility of the supplier.
- Containers should be filled to capacity without exceeding the maximum weight limits or compromising part quality. Manually handled units must not exceed 15KG per container.
- All corrugated shipping containers must meet minimum requirements specified by ISO regulations. Reused corrugated material is not acceptable as a shipping carton or dunnage material.
- Container sizes and quantities must remain consistent by part number. Contact your buyer with requests to change box count quantities and/or sizes.
- All parts must be packed and labelled to ensure lot integrity.
- One part number per container/box.
- Country of Origin identified on the container/box.

- Dunnage material must perform its function of reducing part movement/abrasion while remaining legally recyclable.
- All containers must be completely sealed and secured to pallets with either stretch wrap or plastic banding.
- The overall pallet height MUST NOT EXCEED 200CM
- Contact your buyer for a deviation on excessive height.
- All LTL/TL shipment containers and unitised loads must be palletised for handling by an industrial vehicle.
- All parcel carrier shipments must conform to the carrier's requirements for maximum weight and size.

### **5.1.1 Pallet Size and Construction**

- All pallets must be within 120(cm) x 100(cm) x 220(cm)
- Pallet stringers run in the length direction and top/bottom deck boards run in the width direction.
- Containers must not hang over the edges of the pallet.
- Material that is too large to fit on a 120(cm) x 100(cm) pallet or whose weight/shape dictates a deviation, may be shipped on an alternate pallet with prior approval from TriMark.
- Mechanically handled pallet loads may not exceed 1 metric ton. In addition, deck boards with stringers must provide adequate support/protection to the load and enable the pallet to be lifted with standard fork blades without damage to the product.
- TriMark will not accept any pallets with damage or defects. Pallets should be in new or near new condition and must remain intact and properly functioning throughout their intended life span with the shipment.

### **5.1.2 Returnable Containers**

- TriMark has two types of returnable containers: Metal tubs/trays and plastic crates. TriMark supplied containers are property of TriMark. They are to be used for TriMark parts and must be handled and stored to prevent damage.
- Containers must be labelled in accordance to Section 5.2.
- Containers cannot be overfilled.
- Boards must be used when stacking metal tubs/trays
  - For shipment trays should not be stacked greater than 5 high and must be stretch wrapped.
- Plastic crates can be stacked a maximum of 5 high
- Parts that are applicable to having an "A" surface (see surface classification drawing as applicable) must be packed on foam, "A" surface down, with cardboard on top.
- Contact your TriMark buyer for additional foam, cardboard, returnable containers as needed.
- All TriMark containers are to be returned to TriMark in the event the parts are discontinued, or the Supplier relationship is terminated.

## **5.2 Labelling Requirements**

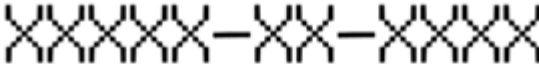
Suppliers must ensure that all materials shipped to TriMark are correctly labelled and that the labels are properly attached. Label protection against moisture, weathering, abrasion, etc may be required in harsh environments and is encouraged wherever practical.

### **5.2.1 Part Shipping Labelling**

All labels affixed to a container must contain the following information:

- Master Label is to be applied to all shipments in a waterproof pouch next to the packing list. If a load has multiple part numbers (mixed load), there should be a master label for each part number.
- Label must be white
- Label dimension: 4-inches x 6-inches
- Printed in black
- The Master Label shall include the following:
  - TriMark Part # (printed as human readable)
  - Part # Description (printed as human readable)
  - Purchase Order # (printed as human readable)
  - Purchase Order Type (printed as human readable)
  - Total Quantity (printed as human readable)
  - Total Number of Boxes (printed as human readable)
  - Supplier Number (printed as human readable)
  - Supplier Name (printed as human readable)

Master Example:

Part Number/Description		Master	
			
30. T1384			
PO Number & Type 00000000 OP		Total Qty 205	
Total Weight 100.00 kg	Total Container Count 20	Job Number	
Supplier Number/Name: 00000000 Supplier Name			

- Carton labels are to be applied to all boxes/returnable containers. One label per carton is acceptable and should be placed on the side of the carton/container.
- Label must be white
- Label dimension: 4-inches x 6-inches
- Printed in black
- Barcode format must be 3 or 9 type (Code 39)
- The Carton Label shall include the following:
  - TriMark Part # (printed as human readable)
  - Part # Description (printed as human readable)
  - Purchase Order # (printed as human readable)
  - Purchase Order Type (printed as human readable)
  - Quantity (printed as human readable)
  - Box Number (printed as human readable)
  - Weight (printed as human readable)
  - Supplier Number (printed as human readable)
  - Supplier Name (printed as human readable)

Container Example:

Part Number/Description		Carton
XXXXXXXXXX-XXXX-XXXXXX		XXXXXX
5130-T1304		
PO Number & Type 00000000 OP		Container Qty 205
Weight 100.00 <b>kg</b>	Total Container Count 01 of 20	Job Number
Supplier Number/Name: XXXXXXXX SUPPLIER NAME		

All containers must have the final TriMark destination information affixed to the skid. Data required includes TriMark site name, address, city and postcode.

## 5.2.2 Mixed Load Labelling

When release quantities require cartons of mixed material on one pallet, a special “Mixed Load” label must be used in addition to being labelled per TriMark labelling specifications. All containers must be loaded to cubic capacity in order maintain load density, package integrity and obtain optimum transport utilisation. The following criteria must be observed when shipping mixed loads to TriMark:

- Cartons must be uniform in size to maintain load stability.
- Each pallet must have material/product for only one TriMark site.

## 5.2.3 Do Not Double Stack

- Palletised loads require a special “Do Not Double Stack” label be used on at least 2 sides of the pallet.
- Do Not Double Stack Cones may be used in place of a label.
- For unit load packaging that is shrink wrapped, the master label, mixed load labels and do not double stack cones/labels must be applied to the outside.

## 5.3 Logistics Requirements

### 5.3.1 Logistics Requirements Introduction

Purchasing or Logistics will determine carrier selection and routing instructions in order to effectively manage inbound freight through the careful consideration of these factors:

- Supplier location
- Product volume
- Packaging
- Transportation costs
- Lead time

TriMark expects our suppliers to share in the ownership of the shipping process to ensure products are received in a timely and cost-effective manner.



### 5.3.2 Logistics Requirements Communication

All shipments must be accompanied by appropriate documentation. Documentation may include, but not limited to, packing slip, bill of lading, commercial invoices, and hazardous materials information.

The supplier is responsible for contacting the appropriate carrier/freight forwarder. It is the supplier's responsibility to set shipping window times in conjunction with TriMark procurement personnel and the carrier to ensure delivery at the TriMark facility by the delivery date shown on the purchase order.

Failure to meet the agreed upon shipping windows that result in carrier detention charges may result in a debit to the supplier to compensate for excess carrier detention charges.

Information to be provided should include, but may not be limited to, product availability, expected delivery time, special instructions, container dimensions and weights.

### 5.3.3 Packing Slip Requirement

TriMark requires all suppliers to prepare their packing slip(s) in a standard format. Failure to comply with this requirement may result in a SCAR.

- Complete TriMark part number used on the PO
- Description of part number
- Quantity of each part number
- Purchase order number and type
- Number of containers
- Supplier Name
- Page Number

**MANDATORY: Packing slip must be attached (glue or tape) to the top of the packaging (pallet shipment). The packing slip must be in a pouch/sleeve that protects it but also allows it to be removed by the receiving plant.**

### 5.3.4 Bill of Lading Requirements

The following information instructs a TriMark supplier on how to properly complete a bill of lading (BOL) form for shipments that are sent collect into TriMark. Non-compliance to these requirements that result in excess freight charges to TriMark will be debited back to the Supplier.

A separate bill of lading must be created for each ship-to location, even when shipping on the same carrier. Each BOL must contain a unique BOL #.

#### Shipper/Vendor Information

**Must include:** Supplier name, Supplier ID, Street address, city, and postcode

#### Example 1

Widget Company  
Supplier ID 13495  
1234 Best Way Road  
Coalville, Leics LE67 1TX

#### Example 2

Widget Company – 13495  
1234 Best Way Road  
Coalville, Leics LE67 1TX

#### Consignee and Destination

**The Ultimate Consignee should be shown as:** TriMark Europe Ltd.

**The Destination must include:** Street address, city and postcode and c/o where applicable.

**Example:**

TriMark Europe Ltd  
C/o Goods Inward  
Unit 3, Sence Court  
Bardon Hill, Coalville  
Leics, LE67 1GZ

In addition to the above information, your BOL must include:

- Number of packages and/or Handling Units. If packages are consolidated on a skid provide both package count and skid count on the bill of lading.
- Description of shipment. Enter the description of each line item. Please note the type of package (carton, tote, barrel, etc) and the quantity per package. Each line item must include the correct commodity code, item number and class. This information is critical to ensure correct rating to avoid excess charges. Non-compliance to these requirements that result in excess freight charges to TriMark will be debited back to the Supplier.
- Weight – Enter the total gross weight, in KG, for each line item. Include the weights of pallets, skids or any secondary container.
- Freight Terms – indicate “FOB origin, Freight Collect” terms if TriMark is responsible to pay for the shipment. All freight shipped to TriMark facilities must be shipped freight collect unless Purchase Order states otherwise or shipment is a Supplier paid expedite or routing deviation.

### 5.3.5 Routing Instructions

Where TriMark is responsible for paying freight charges:

- Shipments 1 to 100 KG with a maximum of 6 cartons should ship via DPD collect on our account number 100587. DO NOT INSURE DECLARED VALUE unless otherwise specified by your buyer.
- Shipments 100KG and greater contact your buyer and [dispatch@trimarkeu.com](mailto:dispatch@trimarkeu.com) for routing.
- Air freight must be pre-approved buy your buyer and when approved our preferred parcel courier is DPD; our account number is 100587.

For additional information, email TriMark buyer and one of the following:

- [dispatch@trimarkeu.com](mailto:dispatch@trimarkeu.com)
- [purchasing@trimarkeu.com](mailto:purchasing@trimarkeu.com)

Deviation from these shipping instructions may add expense which will be debited back to the Supplier.

### 5.4 Hazardous Materials

No hazardous material should be delivered to Trimark Europe Ltd without prior approval from the buyer and QESH manager. Email [purchasing@trimarkeu.com](mailto:purchasing@trimarkeu.com) and [qa@trimarkeu.com](mailto:qa@trimarkeu.com) with consignment details.

## 6. NEW PRODUCT DEVELOPMENT PROCESS

**\*IMPORTANT NOTE:** It is important to “tie-back” this document to the Supplier Quality Requirement referenced on all TriMark Drawings. To this end, as from 01/01/2021 this Supplier Requirement Manual will supersede document reference QP4.20-20. Any reference to QP4.20-20 will remain on released drawings

until the drawing is up-issued following an ECN. All new parts will reference this Supplier Requirement Manual

## 6.1 Overview

Our customers demand and depend on the best products from TriMark. Product Development teams must focus on adherence and discipline to ensure we consistently develop products that exceed customer requirements and expectations. To develop products meeting quality, cost, and time targets, product development teams must focus on collaboration of all functional areas as well as engagement with suppliers early in product development. The New Product Development process is patterned Advanced Product Quality Planning (APQP) and structured in phases from concept to launch. Each phase has consistent deliverables the team must plan for and achieve. At the end of each phase, the team's progress and process conformance is evaluated. The Product Development Project Teams engage suppliers through the APQP process and Production Part Approval Process (PPAP).

TriMark requires suppliers to utilize AIAG core tools, latest edition manuals (APQP, PPAP, FMEA, MSA, SPC).

## 6.2 Advanced Product Planning (APQP)

Advanced Product Quality Planning (APQP) is a structured process of defining and establishing the steps necessary to assure that a product satisfies the customer and specifying goals for product quality. Quality planning focuses on developing process controls that, when properly managed, ensures a high degree of quality within the manufacturing/assembly system. The goal of product quality planning is to facilitate communication with everyone involved to assure that all required steps are completed on time. Effective product quality planning depends on a company's top management commitment to the effort required to achieve customer satisfaction with defect prevention and continual improvement as core elements. TriMark utilizes AIAG's APQP standards as the basis for product development efforts and expects suppliers to become engaged in the multi-disciplinary collaboration efforts.

## 6.3 Part Characteristic Requirements

For new parts being developed, the Project Team will identify Critical (Inverted Delta C), Significant (Inverted Delta S), and/or Fit/Function (diamond shaped F or oval placed around the dimension) characteristics and document and communicate them on a drawing. The supplier is responsible for maintaining control of these special characteristics.

Prior to release, the Purchasing team member will submit a copy of the drawing to supplier for feasibility review. Supplier's may be asked to participate in a Design Process and Assembly Review.

## 6.4 Prototypes and Samples

For prototype parts and samples, the supplier shall submit, at a minimum, an Initial Sample Inspection report, on requested dimensions. Additional requirements for prototypes and samples will be communicated to the supplier on a case by case basis. Initial Sample Inspection Reports (ISIRs) shall include a print of the product with the dimensions mapped out with balloon symbols denoting their location relating to the numerical data that is submitted. If the supplier is unable to provide an Initial Sample Inspection report, TriMark may perform the ISIR with the approval of TriMark's Quality, Environmental, Health & Safety Manager and give feedback to the supplier (when applicable).

## 6.5 Off the Shelf Items

Off the shelf items are defined as components or assemblies TriMark purchases but does not have design control (i.e. not designed for, or exclusive to TriMark).

The SQE shall request the supplier to provide an Initial Sample Inspection Report. If the supplier is unable to provide an Initial Sample Inspection Report, or Certificate of Conformance, TriMark may perform the Initial Sample Inspection and give feedback to the supplier (when applicable) and charge accordingly for these services.

The supplier will not introduce any changes in design or manufacturing that might affect fit, form, or function of the Products, including but not limited to changes in performance, interchangeability, reliability, materials or manufacture compatibility, without providing at least 30 days prior written notice to TriMark Purchasing Representative. If the supplier makes such change in design or manufacturing, TriMark, at its sole discretion may cancel all or part of its order.

## **6.6 Process Validation for New or Modified Components and Assemblies**

The supplier shall perform a capability study for Critical and Significant dimensions on no less than 30 pieces, with a Cpk of 1.67 or greater required for a Significant and a Cpk of 2.0 or greater for Critical characteristics. This is required for new production components or assemblies, or when TriMark changes suppliers of released product.

New capability studies are required for Critical and Significant dimensions when component and assembly changes/modifications affect them or after equipment refurbishment that affects capacity, performance, or changes existing function. PPAP Submission Checklist, AIAG PPAP manual latest edition or TriMark supplied requirements shall be used as guidelines for notification and submission of capability studies. Exclusions include normal maintenance, repair, or replacement of parts for which no change in performance is to be expected and post repair verification methods have been established. The SQE will review and approve all capability studies submitted by suppliers.

## **6.7 Statistical Process Control**

The supplier shall use in-process control charting, or equivalent, on all Critical or Significant dimensions (where applicable). This data shall be sent with each shipment to TriMark.

## **6.8 Material and Special Processing Certifications**

If the material on the print is indicated to be a significant or critical characteristic, a material certification is required with each shipment, unless otherwise specified on the print. A material certification is also required if noted on the print as such.

Special processing, for Heat Treating, Plating, Coating, Welding, Molding, Soldering, and Casting, a processing certification is required with each shipment, including actual test results.

If certificates of analysis or compliance are required, their requirements are listed in the specification (print), purchase order, or PPAP. Certificates are expected to arrive electronically before the shipment and must be e-mailed to [QA@trimarkeu.com](mailto:QA@trimarkeu.com)

## **[mailto:](#)6.9 Production Part Approval process (PPAP)**

TriMark's component qualification process is conducted in accordance with the Production Part Approval Process (PPAP) Manual published by the Automotive Industry Action Group (AIAG), and suppliers must comply with these requirements per the latest edition. Production Part Approval Process (PPAP) defines requirements for production part approval. The purpose of PPAP is for the supplier to document that all TriMark engineering design records and specification requirements are properly understood and that the supplier's manufacturing process(es) has (have) the capability to produce product consistently meeting these requirements during an actual production run at the quoted production rate. In the execution of PPAP, TriMark requires suppliers to submit complete PPAP data as part of the APQP process. TriMark will review all PPAP documentation to ensure that TriMark standards are met. In fulfilling proper APQP/PPAP, the collaborative effort, if done thoroughly and effectively, will drive zero defects. TriMark

chooses our suppliers strategically with the expectation that they are able to provide the documentation necessary for a successful PPAP. The documentation that represents a PPAP is to be completed no matter if the documentation is requested and/or submitted to TriMark. TriMark does not provide financial compensation for the PPAP process and considers this as a cost of doing business.

PPAP is required for all supplier locations providing production parts, service parts, or production materials or services. Regardless of initial PPAP submission level, suppliers are expected to complete and retain a full PPAP package, including 3-piece ISIR(s). PPAP files must be available for review upon request. At TriMark's discretion, a single PPAP submission may be accepted for a family of parts, where multiple parts are manufactured by common processes and materials and are listed on a single drawing as a variation of a base drawing.

TriMark Purchasing Personnel will communicate what Level of PPAP is required via the PPAP Submission Checklist and will establish and advise the supplier of the PPAP due date based on project schedules. Request for revisions to the PPAP due date must be communicated to the Supplier Quality Engineer and Buyer. TriMark reserves the right to select and assign PPAP levels based on experience, supplier performance, and specific needs, at its discretion. The supplier must perform a significant production run at the production site, using production tooling, gaging, processes, materials, and operators at the production rate in compliance with AIAG PPAP manual. Multi-cavitation tools require separate samples and a 3-piece ISIR for each cavity. From the significant production run, one part is selected for the PPAP submission and kept as the Master Sample. TriMark reserves the right to be present for the production run and to add additional reporting requirements, as necessary.

**Any changes or modifications to the PPAP approved part and/or production process requires the supplier to notify TriMark Purchasing Personnel via a Product/Process Change Notification, PPCN, and obtain TriMark SQE approval prior to implementation of these changes.** The PPCN form should be submitted to TriMark at least 12 weeks prior to the planned change implementation.

## **6.10 Supplier Product and Process Change Notification**

The AIAG PPAP Manual describes the conditions for customer notification (Section 3 – “Customer Notification and Submission Requirements”). Table 3.1 should be used as a guideline for when notifications are required. Contact TriMark's Purchasing personnel for clarification of notification requirements. Suppliers are required to complete a Product Process Change Notification (PPCN) form to advise TriMark of process or product changes 12 weeks in advance of a change

PPCNs will be reviewed by TriMark's SQE. If TriMark determines a PPAP re-submission is required, the supplier will be notified via another PPAP Submission Checklist. Suppliers must not implement PPCN changes prior to TriMark's written approval.

In the event this procedure is not properly followed, and material rejections occur as a consequence of the design and process changes listed in Table 3.1 of the AIAG PPAP manual, TriMark will take appropriate action needed to recover any cost incurred by those material rejections, including but not limited to, scrap and rework costs, assembly costs, assembly line downtime costs, etc.

## **6.11 PPAP Status Notifications**

TriMark SQE will notify suppliers of the PPAP status (approved, interim approved, or rejected) via e-mail. Requested PPAP samples shipped to TriMark must be packaged separately from production parts, clearly marked to segregate from production materials, and sent to the attention of TriMark SQE.

The Interim Approval is approved by TriMark SQE to allow shipment of parts which do not fully meet all PPAP requirements. In cases where interim approval is granted, the supplier will receive an Interim Approved PSW from TriMark SQE authorizing shipment for a limited time or a specified quantity of parts until full PPAP/ PSW is met.

## 6.12 Records Retention

Suppliers must have a method allowing for safe and accessible retention of all records for production part approvals (PPAP data), tooling records, APQP records, purchase orders, and amendments and shall be maintained for the length of time that the part (or family of parts) is in production and/or in active service PLUS one calendar year, unless otherwise specified by TriMark.

Retrieval of archived data is expected to be available upon request.

## 6.13 Process Control (Effective Quality Management)

All suppliers must use data and past experience to properly plan for quality in order to prevent defects, control processes, minimize variation, and audit to assure that quality plans are being executed and taking corrective action on the systemic root causes when defects occur. TriMark requires a never-ending pursuit of process improvement and the reduction of variation. As such, our expectations include:

- Suppliers collaborate to plan and document packaging instructions for product and validate initial shipments to ensure products arrive at TriMark undamaged and in proper form (sequenced, next higher level, etc.).
- Suppliers collaborate to help define and then control special characteristics.
- Suppliers build sufficient error proofing and inspection into the process to mitigate risk.
- Suppliers' employees are empowered and properly trained to plan for quality and produce conforming parts every day, every shift, and every piece.
- Suppliers review and improve process FMEA and control plans and other applicable APQP/PPAP elements when defects occur to reduce the risk of future failures and, if required, submit an updated PPAP.
- **Suppliers obtain PPAP approval (with signed PSW) prior to shipping first order of production material.**
- Suppliers deploy a documented layered audit process to assure that quality plans are clearly communicated, followed, and effective.
- Suppliers plan and execute a "quality management system" with ISO 9001:2015 certification as a minimum requirement.
- Suppliers deploy continuous improvement and Global 8D problem-solving teams for robust 8D execution. All issues are addressed, and systemic validation is in place.
- Continuous improvement is a way of life. A supplier program shall be in place for continuous improvement, with emphasis on prevention activities in order to reduce variability and improve quality.

# 7. SUPPLIER QUALITY AND ENVIRONMENTAL MANAGEMENT

TriMark is fully committed to delivering high-quality products to our customers with minimal impact on the environment. Every employee is responsible for delivering the best products and best value for customers. As we strive to achieve a zero-defect culture, we partner with others to build a supply chain with that same mindset. A high-quality product starts with high-quality materials and components. Suppliers must not ship products or components with a known defect. TriMark does not compromise on quality. Suppliers play a critical role in ensuring that TriMark products fulfill our customers' requirements at a consistently high level of quality across the enterprise.

## 7.1 Quality and Environmental Systems

TriMark seeks to conduct business with suppliers that are third party registered by an IATF accredited registrar to the latest version of ISO 9001 Quality System Requirements or IATF 16949. Suppliers of automotive products and services must be certified to ISO 9001 with the ultimate objective of becoming certified to IATF 16949. Suppliers are also encouraged to obtain or be compliant with ISO 14001 Environmental Management registration and certification. Current Quality System registration certificates must be submitted to TriMark as soon as receipt after successful obtainment. Suppliers must IMMEDIATELY notify TriMark of any change in Quality Management System status (for example, lapse in certification, decision to let lapse, etc.). Any suspension in certification status must be reported to TriMark's Buyer within 5 business days. Furthermore, TriMark expects suppliers to reference the latest editions of AIAG's Core Quality Tool Manuals (APQP, PPAP, FMEA, SPC, MSA).

## 7.2 Receiving Inspection

All purchased goods, including subcontract operations, are subject to incoming inspection by the TriMark Quality Department. In certain circumstances, incoming inspection is used on a pre-determined sample size to verify that materials and components meet the TriMark print and specification requirements. **In all cases it is the ultimate responsibility of the supplier to ensure materials, components, and/or services conforms in all respects to the print/drawing and specifications.** In advance of receiving the material, a receiving inspection control plan needs to be developed for each component. The receiving inspection control plan provides a checklist on what to inspect and is based on internal and external quality data. Once the inspection is complete, conforming material moves to inventory and non-conforming material will generate a Material Review Board (MRB) non-conformance report. The MRB may drive a Supplier Corrective Action Request (SCAR) and TriMark will require a timely and appropriate response from the supplier. See Section 7.7 of this manual for more information on SCARs, and Section 7.6 for more information on MRBs.

## 7.3 Cost of Poor Quality (COPQ)

TriMark expects the supply chain to deliver defect-free parts and products on time. When non-conformances of supplied product occur and/or when parts are received late, TriMark experiences many disruptions in our operations, which requires investigation, inspection, sorting, rework, expediting, etc. Suppliers must strive to prevent, and in all circumstances, detect and correct quality problems prior to shipping the product to TriMark. Suppliers will be charged for extra costs incurred by TriMark to correct supplier's non-conforming product and/or expediting costs associated with late delivery. This process is intended to help drive supply base improvements and hold suppliers accountable for the cost of poor quality. It is not intended to be punitive or to generate profits.

Reducing Customer Warranty claims remains a top priority with TriMark and we place a high priority on overall customer satisfaction and loyalty. Suppliers must demonstrate reliability that meets or exceeds TriMark requirements. Suppliers will cover the costs associated with any failure related to their components and materials within the TriMark warranty period or the duration of the final customers' warranty, whichever may be longer.

TriMark will seek cost recovery from suppliers for expenses related to field failures, product recalls, and product retrofits caused by the supplier's product. TriMark will hold the supplier responsible for such failures related to the design or manufacture of their supplied products. Costs and liabilities will be managed on a case by case basis. When supplier nonconformance causes additional warranty costs, the supplier will bear costs of repair for field units and inventory (including finished goods, work in process, components, raw material, etc.) including parts, labor, sorting charges, transportation, rework costs, special handling, removal costs, etc.

## 7.4 Supplier Performance KPIs

TriMark has a Supplier Rating process to measure, communicate, monitor, and manage supplier performance. Suppliers play a crucial role in enhancing the quality of TriMark products. By consistently improving processes and delivering quality parts according to TriMark prints and specifications with no deviations, suppliers help drive continuous improvement. The Supplier Rating Report enables TriMark to hold suppliers accountable for their quality and delivery performance. When poor performance is documented, we expect the supplier to quickly respond and take corrective action. When poor performance results in financial impact to TriMark, we will expect suppliers to reimburse our loss and debit accordingly.

TriMark measures supplier performance for each location (as defined by a unique TriMark supplier number). Performance is evaluated in the following areas:

- Quality ppm
- On Time Delivery %

PPM = parts per million = (Number of Defective Parts/Number of Parts Received) \*1,000,000.

On-Time Delivery % = 100%-(Delivery PPM/10,000)

Suppliers are rated A, B, or C for each metric based on the limits, shown below.

**Quality:** A supplier = < 250 ppm

B supplier = >250 and =< 2500 ppm

C supplier >2500 ppm

**Delivery:** A supplier =>99.5%

B supplier 99.5-95%

C supplier <95%

Supplier Rating reports are distributed monthly. Questions regarding the Supplier Rating Report should be directed to the assigned Buyer.

**Delivery ppm impacts will occur when:**

- Goods arrive outside the delivery window (earlier than 10 days before due date or 0 days after due date)

**Quality ppm impacts will occur when:**

- The goods (material, component parts, subassembly, assembly, subcontracted services, etc.) purchased for production that are received at TriMark and do not conform to the current drawing, specification, or approved deviation on file.
- Goods with incorrect labeling (e.g. wrong part number on the package or part)
- Mixed goods (e.g. two or more-part numbers mixed together in the same container)
- Damaged parts due to inadequate, insufficient packaging, or packaging not following ES-164 guidelines or directions stipulated by the TriMark Buyer/SQE
- Any damage of parts due to transportation for which the supplier is responsible.
- Goods are received without the required PPAP approval or interim approval (by SQE signed PSW).

**Rules for calculation:**

- The actual quantity of nonconforming goods will apply towards ppm impact for the following instances:
  - The supplier may come on site at TriMark to sort their product.
  - The supplier may send a 3<sup>rd</sup> party sort company on site at TriMark, at Supplier's expense, to sort supplier's product.
  - When production scheduling dictates, TriMark may sort on site, on behalf of supplier, and a £250 automatic sort charge will be applied, in addition to the supplier being responsible for all sort costs including labor at £43/hour plus material rate.
  - For KEY Suppliers only (as defined by TriMark), rejected goods may be returned to the supplier for sorting, if production scheduling allows, and no negative impact to TriMark production. The KEY supplier is to conduct a timely sort and report actual quantity of non-conforming goods to apply towards ppm impact with immediate replenishment of



conforming parts; a £125 reject fee will apply to cover administrative and handling costs associated with suspect goods.

- The quantity of parts returned to the supplier or scrapped at TriMark (per supplier's direction) will apply towards ppm impact:
  - For non-Key suppliers that have non-conforming goods returned.
  - If conforming parts are sent by supplier to replace non-conforming parts by the date TriMark requires them with no impact to production, the quantity of ppm impact will be halved. (for example, 1000 pcs are found to be non-conforming and are rejected back to the supplier. 1000 pcs will have ppm impact. However, if supplier replenishes all 1000 pcs by the TM defined due date, the ppm impact quantity will be reduced to 500.)
  - For any quantity sorted or reworked at TriMark site by TriMark personnel.
- Non-conforming goods, based on sample size, received without prior PPAP approval will have ppm impact applied for the entire lot quantity.
- Goods that have a "deviate" disposition will be handled as follows:
  - If the sample size shows less than 50% non-conforming parts, there will be no ppm impact applied.
  - If the sample size shows equal to or more than 50% non-conforming parts, ppm impact will apply. For example, MRB is written and disposition is to deviate. If 2 of 9 pc sample inspected shows defects, then no ppm impact. However, if 9 of 9 pc sample shows defects, then ppm impact will be applied.

## 7.5 C-Rated Suppliers

The 6-month rolling average will generate a list of "C" rated suppliers and results will be published bi-annually (January and July). At TriMark's discretion, C-Rated Suppliers must present a Performance Improvement Plan detailing how quality and/or delivery will be improved in the future. C-Rated suppliers will be placed on New Business Hold. While on New Business Hold, suppliers will be responsible for filling current purchase orders, but they will not be eligible to quote or engage in new business until three consecutive months of "B" performance is documented. Suppliers with 4 consecutive 6-month periods (2 years) with "C" performance will be resourced-at TriMark's discretion.

## 7.6 Non-Conforming Product (MRBs)

Any material, component, sub-assembly, or assembly found to be non-compliant to the drawing, specification, applicable quality standards, or master samples will be rejected and a Material Review Board (MRB) non-conformance report will be created. Parts with incorrect labeling (e.g. wrong part number on the package or part) or mixed parts (two or more part numbers mixed together in the same container) will be considered an MRB and quality impacts to the supplier for the entire container quantity will occur unless a supplier elects to sort per 7.4 above. Parts received damaged as a result of inadequate packaging are considered MRBs. Suppliers may be charged, at a minimum £125 for each MRB written, which covers the administrative costs associated for processing a non-conformance. In addition, it is the supplier's responsibility to cover the cost associated with processing of sorting, reworking, and returning of rejected non-conforming product, as well as any other cost that may be associated with the supplier's non-conformity.

In the event the supplier identifies non-conforming material, they must notify TriMark's SQE to gain approvals for deviations or concessions to avoid quality ppm impacts.

Upon notification of an MRB, the supplier must:

- Inspect and contain all product within 24 hours of notification. This includes the entire supply chain: sub-tier suppliers, warehouses, third-party locations, supplier's assembly plant, etc. as well as all inventory including work in process, raw material, finished goods stock, etc.

- Advise TriMark's SQE of their disposition of the parts: Return to Vendor (RTV) / Sort / Rework / Replace / Scrap suspect parts as required to maintain production.
- If a SCAR (Supplier Corrective Action Request) is required, as per SQE request, the supplier must:
- Analyse root cause and implement permanent corrective action using TriMark's SCAR 8D format or SQE approved equivalent. Root cause must be validated and verified including testing where applicable. Supplier documentation must be updated to reflect corrective actions (i.e. Control plan, FMEA, work instructions, etc.).
- Forward the completed SCAR to TriMark's SQE for approval of corrective actions.
- Ensure preventive actions are implemented in other similar processes.

Corrective actions requiring any product design or process flow changes must use the Product Process Change Notification (PPCN)/Deviation process to notify TriMark (see Section 6.4). The Supplier is responsible for all costs associated with validating and implementing permanent corrective actions. TriMark expects suppliers to apply these requirements to their suppliers.

## 7.7 LOT Traceability

Lot control and traceability shall be established to limit the size of impact in the event of the need for product recalls or campaigns. The control system must be capable of linking production processes to root cause analysis activities.

When lot control is utilized, the system must establish and maintain one-to-one relationship between a lot/batch traceability number and certain quantity of parts produced and to be documented accordingly so that information can be readily available.

Suppliers are responsible to ensure that the lot traceability system maintains its integrity through the entire supply chain, including raw material, purchased components/products, and sub-contract operations.

## 7.8 Supplier Corrective Action Requests (SCARs)

Suppliers shall have a process in place to take corrective and preventive action for any non-conforming goods. The purpose of the Supplier Corrective Action Request (SCAR) is to contain, correct, identify root cause and permanently prevent future receipts of non-conforming goods.

Each time TriMark SQE notifies the supplier of a SCAR, the supplier is required to send a notification of containment within 24 hours (Sections D1, D2 and D3 of the 8D), a detailed root cause analysis, correction, and corrective action within 20 working days (D4-D8). TriMark will issue a SCAR in the form of 8D for suppliers to respond to quality issues. It provides a guide and defines the important aspects of problem management, from containment of the problem, correction, root cause analysis, corrective action, and problem prevention. The speed of problem solving from detection to solution to implementation is vital for customer satisfaction. The supplier must prevent any additional non-conforming material from being shipped. Suppliers shall use available root cause analysis tools (5 Why, cause and effect diagrams, Is/Is Not Analysis, 6 Sigma, etc.) to drive problem resolution. If more time is required, an extension must be requested from TriMark's SQE before the due date. The supplier will be contacted on the status of past due SCAR's. TriMark may debit the supplier one hundred pounds (£100) per SCAR if a written response is not received within twenty (20) working days.

The SCAR is reviewed by TriMark's SQE. Unacceptable or incomplete SCARs are rejected and returned with an explanation. Rejected SCARs remain open until an acceptable response is received. TriMark will only accept complete SCAR responses that provide a robust solution to prevent future defects. SCAR responses must show that error-proofing methods were considered and the impact of the corrective action into other similar products or processes. Corrective action is intended to produce permanent solutions.

If a SCAR response is not received or the response is inadequate, TriMark may request an on-site visit

and/or audit at the supplier's location. The supplier would be responsible for the cost of said audit. If the supplier continues to be nonresponsive and/or unwilling to assist with corrective action, TriMark may elect an alternative course of action.

## **7.9 Second Party Audits**

TriMark and its customers, may conduct second-party audits at the suppliers' facility or the sub-tier suppliers' facility in the following situations:

- Supplier risk assessment
- Supplier monitoring/supplier performance
- Supplier QMS development
- Product audits
- Process audits

The Supplier will receive an audit report at the conclusion of the audit and any non-conformances identified will need swift corrective action.

## **8. EMBEDDED SOFTWARE REQUIREMENTS**

Suppliers of automotive product-related software or automotive products with embedded software, must implement and maintain a process for software quality assurance for their products. A software development assessment methodology must be utilised to assess the suppliers' software development process. Suppliers shall retain documented information of a software development capability self-assessment.

## **9. ENVIRONMENTAL REQUIREMENTS**

Suppliers are strongly encouraged to adapt an Environmental Management System and comply and be certified to ISO14001. Suppliers and their contractors and subcontractors shall conduct their operations in an environmentally safe manner and comply with all environmental laws and regulations. Suppliers should take steps to reduce their environmental impact by:

- Preventing waste
- Improving quality (reducing scrap)
- Reducing pollution

Suppliers should develop policies and procedures to reduce by-product materials, minimize or eliminate hazardous waste, increase the recycling of waste streams, ensure proper disposal and recycling methods are employed, and improve overall efficiency of products, processes, services and solutions.

## **10. CONTINUAL IMPROVEMENT**

TriMark is passionate about continual improvement and our approach blends the best of Six Sigma and Lean Manufacturing Concepts into what we term "Six Sigma Excellence". We encourage involvement from all employees through our Employee Suggestion System while considering all ideas that are submitted and implementing those that are feasible. TriMark encourages Suppliers to deploy a comprehensive continual improvement philosophy throughout the suppliers' organisation, including areas of quality, cost, delivery, safety, environmental, and productivity. TriMark expects suppliers to provide annual cost reductions/cost control as a result of the suppliers' continuous improvement initiatives.