

(ASTEMO)AM-BK

SUPPLIER MANUAL

Revision Level	Changes	Revision Date
11	Changed Sections 4.1.2.3 & Added Section 4.2.4.5 Also changed HIAMS to ASTEMO	6/21/2022

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Introduction

This manual is provided to all (ASTEMO)AM-BK suppliers. The purpose of this manual is to communicate (ASTEMO)AM-BK quality system requirements. (ASTEMO)AM-BK requires all suppliers to abide by the provisions of this manual.

It is the supplier's responsibility to notify the (ASTEMO)AM-BK Purchasing Department with any questions regarding the requirements of this manual.

All (ASTEMO)AM-BK suppliers must be 3rd party registered to the ISO 9001:2015 quality standards, or registered to ISO/IATF 16949:2016, unless a waiver is granted in accordance with the requirements of the standard. (ASTEMO)AM-BK goal is for all suppliers to be registered to the ISO/IATF 16949/ISO 9001 standard.

Message to Suppliers

(ASTEMO)AM-BK commits itself to comply with all requirements – either statutory, customer driven, or arising from the ISO/IATF-16949 Standard, to ensure customer satisfaction. It shall be the policy of (ASTEMO)AM-BK to continuously support all suppliers to the maximum extent possible thereby assuring a lasting and successful partnership. Such support will include quality systems development to the IATF 16949 Standard. Emphasis will be placed on quality at the source and continuous improvement. Supplier's performance will be continuously monitored and records will be available to each supplier via the (ASTEMO)AM-BK Website (www.hitachi-automotive.us).

Quality Objectives

- Continuous Improvement of Products and Processes
- Achievement of zero defects
- Competitive Pricing For All Products
- 100% On-Time Delivery of Goods

Environmental Policy

((ASTEMO)-AM) BK is registered to ISO 14001 Environmental Standard and recognizes that preservation of the environment and ecosystem is vitally important to the world community. The Company will consider preservation of the global environment in all aspects of its business activities and encourages its suppliers to pursue ISO 14001 registration.

It is the policy of ((ASTEMO)-AM) BK to:

- Always recognize the influence on the environment resulting from activities, products, and services of the Company.
- Obey all environmental-related laws, regulations and other customer requirements.
- Reduce and prevent negative environmental impact through the practice of eliminating, reducing, reusing and recycling resources when appropriate and practicable.
- Establishing goals, objectives and targets in order to ensure continuous improvement to the environment.

Suppliers to (ASTEMO)AM-BK are required to provide chemical composition data to the Hitachi A'Gree'Net Environment Management System and IMDS (www.mdsystem.com). Supplier shall submit Restriction of Hazardous Substances (RoHS) compliant documents when required.

1.0 Quality System Requirements

1.1 The supplier, as a fundamental principle of its quality system, shall;

- 1.1.1 Establish, document, and implement an effective quality system, with the goal of compliance to all applicable requirements of ISO 9001:2015 or ISO/IATF 16949:2016.
- 1.1.2 Incorporate all requirements of the (ASTEMO)AM-BK Supplier Quality Manual into the supplier's quality system.
- 1.1.3 Prepare a Quality Manual that addresses all requirements of ISO 9001:2015/IATF 16949 2016. The manual must include or reference documented procedures to support the specified requirements within the quality manual.
- 1.1.4 If a change in the supplier's ISO-9001:2015/IATF16949 2016 status occurs, the supplier shall Notify (ASTEMO)AM-BK Purchasing and Quality Engineering in writing within 10 days.
- 1.1.5 (ASTEMO)AM-BK shall be afforded the right to verify, at the supplier's premises, that product, material and tooling conforms to specified requirements. This right shall also be afforded to (ASTEMO)AM-BK customers. Such verification shall not be used as evidence of effective control of quality by the supplier.

2.0 Supplier Quality Requirements

2.1 Certified Products Requirement

- 2.1.1 All material suppliers shall certify their products to meet or exceed acceptance established at Production Part Approval Process (PPAP) by the supplier. This shall include all parts and materials supplied to ((ASTEMO)-AM) BK. If the quality level falls below the established quality standard, parts and materials shall be considered non-conforming. The supplier shall take immediate containment action and provide permanent corrective actions to BK supplier quality. A PPAP may be requested to re-establish certification. The requested level will be determined by the SQA.

2.2 Special Characteristics (Mass Production)

- 2.2.1 Some products will have special features which are designated as critical characteristics. (VC, KC, KCC, KEY, etc.). These requirements may be identified by (ASTEMO)AM-BK or a (ASTEMO)AM-BK Customer. For these characteristics, 125 piece SPC data verifying a minimum 1.33 Cpk value or greater process capability, shall be furnished annually. Supplier must maintain ongoing SPC for all product dimensions designated as special characteristics. BK supplier quality may request a minimum of 30 pieces Cpk for non-critical dimensions when necessary. When a (ASTEMO)AM-BK customer's special characteristic is shown on the part drawing or referenced in the specification, the supplier is required to comply with the (ASTEMO)AM-BK customer requirements.

2.3 O.E.M Customer Specific Requirements

It is the responsibility of all suppliers to (ASTEMO)AM-BK to be aware of and comply with all applicable OEM Customer Specific Requirements. These OEM Customer Specific Requirements include, but are not necessarily limited to, the following: SPC, MSA, FEMA, PPAP, APQP, Supply Chain Matrix, and Special Process Audits (current revisions).

2.4 Process Certification (Mass Production)

- 2.4.1 The supplier has the responsibility to ensure that production processes related to special characteristics are in compliance with all material specifications shown on the drawing and / or purchase order. Process certification containing actual measured results with a minimum of 1.33 Cpk index is required for all processes associated with special characteristics. (ASTEMO)AM-BK shall determine the need for process certification verification.
- 2.4.2 Should the actual measured results fall below 1.33 Cpk, a support plan will be required and must be 100% verified and an action plan must be established. If the Cpk drops below 1.00 then BK supplier quality must be notified.

2.5 Zero Defects Acceptance

- 2.5.1 The supplier shall adopt acceptance criteria of zero defects on parts, materials, products and services supplied to ((ASTEMO)-AM) BK.
- 2.5.2 Supplier shall maintain internal KPI, such as scrap data and root cause analysis on top defects. BK supplier quality may ask to review this information if necessary.

2.6 Product Sorting

- 2.6.1 In the event defective supplied product or material is discovered at (ASTEMO)AM-BK and/or the (ASTEMO)AM-BK customer location, it is the supplier's responsibility to replace or sort the defective material in accordance with the guidance given by ((ASTEMO)-AM) BK. (ASTEMO)AM-BK reserves the right to sort/rework supplied product or material at any time to ensure the customer's requirements are not compromised. The supplier shall be responsible for all expenses including, but not limited to, (ASTEMO)AM-BK administration fee, hourly rate charges, travel expenses, and containment costs.

2.7 Restricted Material ISO 14001

- 2.7.1 The supplier shall comply with all current governmental and safety restraints on restricted, toxic and hazardous materials; as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale.

2.8 Lot Traceability

- 2.8.1 The supplier is responsible for maintaining lot traceability. Mixed lots are acceptable but MUST be identified as such.

2.9 Domestic and Foreign Content

- 2.9.1 Suppliers to (ASTEMO)AM-BK shall provide, upon request, the domestic and foreign content of any parts and materials purchased by ((ASTEMO)-AM) BK, as required by US laws and regulations (i.e. NAFTA, etc.) and/or OEM customer specific requirements.

2.10 Requests for Temporary Deviations

- 2.10.1 Process deviations are requests to use a different or modified manufacturing method; example, changing a sonic welding process to a heat staking process or adding a top coat process.
- 2.10.2 Material or design deviations are requests to use material that does not meet a particular specification or requirement.
- 2.10.3 Any Supplier can request a deviation. Supplier requests for deviations must be initiated through the supplier portal and (ASTEMO)AM-BK SQA.
- 2.10.3.1 The supplier may be requested to provide samples to perform a trial to assure fit and function and other requirements as determined by (ASTEMO)AM-BK
- 2.10.4 It is the responsibility of the Supplier to ensure that the deviation request is properly completed and outlines exactly all specifics related to the deviated part number, process, material, number of parts, specification, etc.
- 2.10.5 The Supplier must use the (ASTEMO)AM-BK SREA form for material/process deviation. This form is available through the (ASTEMO)AM-BK website (www.hitachi-automotive.us).
- 2.10.6 Once the request is received and logged, (ASTEMO)AM-BK SQA, Purchasing, Design Engineering and Quality Assurance must review the deviation for approval.
- 2.10.7 Deviations shall be for a specified length of time, a specified quantity of material, or until a specified date.
- 2.10.8 (ASTEMO)AM-BK Pre-Shipment Approval MUST be obtained for any deviation that affects the final product fit, finish, function or reliability. The approval must be documented on the deviation.
- 2.10.8.1 NOTE: Blanket, undated or open-ended deviations will not be permitted.

2.11 Requests for Permanent Changes

- 2.11.1 In certain situations, a Supplier may wish to request a specification to be changed on a print for various reasons (i.e. cannot meet specification, material, etc)
- 2.11.2 Any Supplier can request an engineering change. Supplier requests for engineering changes must be initiated through the **the supplier portal and (ASTEMO)AM-BK SQA.**
 - 2.11.2.1 Generally, **samples** must be provided by the Supplier to perform a trial to assure fit and function and other requirements as determined by (ASTEMO)AM-BK
- 2.11.3 It is the responsibility of the Supplier to ensure that the engineering change request is properly completed and outlines exactly all specifics related to the part number, process, material, number of parts, specification, etc.
- 2.11.4 The Supplier must use (ASTEMO)AM-BK **SREA** form for engineering changes. The **SREA** form is available through the (ASTEMO)AM-BK website (www.hitachi-automotive.us).
- 2.11.5 Once the request is received and logged, (ASTEMO)AM-BK **SQA, Purchasing, Design Engineering and Quality Assurance must review and sign the deviation** for approval.

2.12 Engineering Change and Deviated Product Labeling

- 2.12.1 Supplier shall implement the following items in order to facilitate the smooth control of initial parts deliveries during initial production of engineering changes and/or deviated parts.
- 2.12.2 If requested, BK supplier quality must be notified of all lots shipped under the **SREA**, including lot numbers and shipping information.
- 2.12.3 Parts shipped under an **SREA** shall be clearly identified with the “**SREA Parts Delivery Notice**” label (see Appendix 1) printed in YELLOW or on yellow paper.
- 2.12.4 In the event a supplier fails to provide proper material identification or labeling as stated within this document, product cannot go directly to warehouse. A dock charge may be assessed to the supplier. Product will be considered non-conforming and corrective action may be required.

2.13 Supplier Quality Performance

- 2.13.1 (ASTEMO)AM-BK requires 100% defect free parts from our suppliers. (ASTEMO)AM-BK IATF 16949 Work Instruction TS-WI-7.4.3.2-001, Supplier Monitoring and Development, states in part that (ASTEMO)AM-BK Quality Management will conduct a quarterly review of our supplier's PPM's, and that a “worst five” list will be generated based on the five suppliers with the highest average PPM for the quarter.
- 2.13.2 If a supplier is placed on the “worst five” list and has not improved their PPM by the end of the next (following) quarter, the supplier will be placed on **probation** at which time they may not be considered for new business without special approval from (ASTEMO)AM-BK Plant Manager. Any supplier placed on probation will also be selected for special supplier development which may include system, process,

and product audits and/or other improvement activities. Removal from probation status may be accomplished when the supplier has performed one evaluation quarter at a level higher than the original quarter (the quarter that caused them to be placed on (ASTEMO)AM-BK five worst supplier list). If after two consecutive quarters the supplier fails to improve their PPM, the business may be permanently removed. Suppliers may view their performance records, including delivery and quality data, by contacting the appropriate Buyer.

- 2.13.3 BK supplier quality may decide to monitor Top 5 worst suppliers based on number of quality incidents and annual recertification status. Supplier will be required to attend a Top Supplier meeting until completion of all corrective actions, followed by defect-free product shipped for 90 days since last quality incident. BK supplier quality may review corrective actions on site and/or perform complete audit of supplier's quality management system.

3.0 Advanced Product Quality Planning (APQP) / Production Part Approval Process (PPAP)

- 3.1 The new model process at (ASTEMO)AM-BK includes several trial events leading up to mass production. Suppliers will have access to a (ASTEMO)AM-BK Engineer who will work with them from the time business is awarded.
- 3.2 (ASTEMO)AM-BK will determine whether a supplier will be considered a "Critical" or "Non-Critical" parts supplier. Once this has been determined a Kick-Off meeting will be scheduled between the supplier and ((ASTEMO)-AM) BK. At this time, schedules, quality requirements, required documentation, mass production requirements, packaging requirements, and contact information will be discussed at this meeting.
 - 3.2.1 Critical suppliers may be required to submit a Launch Readiness Review document monthly to (ASTEMO)AM-BK outlining the status of the launch.
- 3.3 (ASTEMO)AM Engineering may schedule a design review meeting with the supplier. At this meeting critical characteristics, past problem history, control datum's, drawing reviews, design for manufacturing, any testing requirements and the timing schedule will be discussed and reviewed. The supplier should bring up any concerns of the design, what type of assembly equipment will need to be used to control the part, and any other concerns that they may have in this meeting.
- 3.4 Trial requirements will be negotiated between the Engineer and the supplier. Suppliers are required to submit data and sample parts as requested throughout the trial event process. Suppliers are responsible to guarantee that all parts submitted as trial parts meet the requirements that have been established between (ASTEMO)AM-BK Engineer and the Supplier, and ensure that each part number and container is identified with a **"Trial Parts Delivery Notice"** label (see Appendix 2) printed in ORANGE or on orange paper.
 - 3.4.1 In the event a supplier fails to provide proper material identification or labeling as stated within this document, a dock charge may be assessed to the supplier. Product will be considered non-conforming and corrective action may be required.

- 3.4.2 Sample data shall be supplied for all dimensions affecting form, fit, and function with each shipment of PSW and/or Prototype parts. This data should be submitted to the appropriate Quality Assurance Engineer.
- 3.5 (ASTEMO)AM-BK may schedule a process review meeting with the supplier. At this meeting inspection gages and standards, MSA plan, process capability, quality documentation, trial event schedules and requirements, PV testing requirements and Run at Rates will be discussed and reviewed. The supplier should review process flow and over manufacturability of the part during the meeting.
- 3.6 The supplier should notify the Engineer of all scheduled trials to allow sufficient time for the Engineer to make plans to attend. If the Engineer is not notified of the trial, the supplier may be required to run the trial again at an agreed time.
- 3.7 (ASTEMO)AM-BK will schedule Run at Rate to be performed on the actual mass production process. The trial parameters will be established between the supplier and ((ASTEMO)-AM) BK. The supplier shall demonstrate process capability, meeting capability targets, quality documentation, and all open issues have been closed.
- 3.8 **(ASTEMO)AM-BK will approve the supplier for mass production after:**
- 3.8.1 Supplier has closed out all open items for new model
- 3.8.2 Passed the Run at Rate with no pending open issues
- 3.8.3 Approved Part Submission Warrant (PSW)
- 3.9 **Special Characteristics (PPAP)**
- 3.9.1 Some products will have features which are designated as special characteristics (See Section 2.2.1). These requirements may be identified by (ASTEMO)AM-BK or a (ASTEMO)AM-BK Customer. For these characteristics, 125 piece SPC data verifying a minimum 1.67 Cpk/Ppk value or greater process capability, shall be furnished with each shipment, unless waived in writing by ((ASTEMO)-AM) BK. When a (ASTEMO)AM-BK customer's special characteristic is shown on the part drawing or referenced in the specification, the supplier is required to comply with the (ASTEMO)AM-BK customer requirement.
- 3.9.2 Should the actual measured results fall below 1.67 Ppk, a support plan will be required stating containment, interim and permanent corrective actions. 100% inspection shall be performed until improvements are made.
- 3.10 **Process Capability (PPAP)**
- 3.10.1 The supplier has the responsibility to ensure that production processes related to special characteristics are in compliance with all material specifications shown on the drawing and / or purchase order. Process certification containing actual measured results with a minimum of 1.67 Cpk/Ppk index is required for all processes associated with special characteristics. (ASTEMO)AM-BK shall determine the need for process certification verification.
- 3.10.2 Should the actual measured results fall below 1.67 Cpk/Ppk, a support plan will be required stating containment, interim and permanent corrective actions. 100% inspection shall be performed until improvements are made.

3.11 Production Part Approval Process

- 3.11.1 PPAP is always required prior to the first production shipment of a product in situations as outlined in the AIAG PPAP Manual. The AIAG format shall be used unless otherwise specified by ((ASTEMO)-AM) BK. A Level 3 submission is required for component parts, unless otherwise specified. For detailed information regarding PPAP requirements, see the (ASTEMO) Supplier Quality Manual at (www.hitachi-automotive.us).
- 3.11.2 (ASTEMO)AM-BK Purchasing Department will inform the supplier of the specific PPAP requirements via a PPAP Submission Agreement Form (FM-7.4.1-009) that has been filled out by the SQA. (ASTEMO)AM-BK Quality Department will review and approve the PPAP submission.
- 3.11.3 The supplier shall submit the PPAP package (parts and documentation) to the appropriate (ASTEMO)AM-BK Buyer. The PPAP package must be shipped via traceable shipping carrier. PPAPs must be identified with a **“PPAP Samples Delivery Notice”** label (see appendix 3) printed in RED or on red paper.
 - 3.11.3.1 No PPAP will be accepted without sample parts. Conversely, no PPAP will be accepted with parts only. All required documentation and sample parts are required before the PPAP will be processed.
 - 3.11.3.2 PPAP may be accepted via electronic mail, although the preferred method is a hard copy sent to the appropriate (ASTEMO)AM-BK Buyer.
- 3.11.4 The supplier will be required to demonstrate that they can sufficiently produce product using the Run at Rate requirements. Run at Rate capability shall be required before (ASTEMO)AM-BK gives PPAP approval.
- 3.11.5 Initial shipments, as determined by SQA, shall be identified with **“New Product Delivery Notice”** label (see appendix 5) printed in BLUE or on blue paper.

3.12 Annual Component Part Re-certification

- 3.12.1 The supplier has the responsibility to ensure that purchased production parts and material supplied to (ASTEMO)AM-BK shall be in compliance with all material specifications shown on the Hitachi drawing.
- 3.12.2 The supplier shall submit a Level 4 PPAP package including a signed warrant, material specification, 6 pc. 100% layout, 125 pc. capability studies for critical (or requested) dimensions, and special process assessments (CQI-9, 11, 12, 15, 17, & 23).
- 3.12.3 Annual recertification is due one year from Initial PSW submission, and every year thereafter. It is the responsibility of the supplier to ensure that these packages are presented to (ASTEMO)AM-BK on time and complete. Documents may be submitted via email to the SQA.

4.0 Receipt of Non-Conforming Product/Material

4.1 Material Inspection Report (MIR)

- 4.1.1 Immediate action shall be taken in the event that a supplier has reason to believe that non-conforming product condition exists. Contact shall be made by a telephone call and/or electronic mail to or from the (ASTEMO)AM-BK Quality Associate, or the Quality Manager.
- 4.1.2 Notification to (ASTEMO)AM-BK shall be followed by:
 - 4.1.2.1 Immediate containment, until disposition is completed of all suspect material at: supplier, (ASTEMO)AM-BK, in-transit and at customers' facilities. Disposition can include, but is not limited to, replacement with new material, sorting, priority delivery as agreed.
 - 4.1.2.2 A Material Inspection Report (MIR) will be issued by (ASTEMO)AM-BK Quality Associate via electronic mail to the supplier quality contact and/or production controller. This report will serve as documentation of the non-conforming condition and charges.
 - 4.1.2.3 (ASTEMO)AM-BK shall charge the supplier a \$240.00 administrative charge to cover the cost of processing all MIRs (Material Inspection Report)/Debit Memos that are issued due to defective material being received at Tokico from the Supplier. This charge shall be applied to each non-conformance occurrence. Additional charges may be incurred, such as assembly line downtime, labor, shipping costs, etc.
- 4.1.3 All suspect and/or contained material at (ASTEMO)AM-BK should be dispositioned by a (ASTEMO)AM-BK Quality Associate within 5 calendar days of notification.
- 4.1.4 The supplier has 3 working days to submit a Return Material Authorization for the non-conforming material. If a RMA is not received within this allotted time the material will be returned to the supplier without approval and billed back accordingly.
- 4.1.5 Non-conforming material shall always be returned at the supplier's expense.
- 4.1.6 Permanent corrective action and preventative action will be requested for the supplier to eliminate the possibility of future shipments on non-conforming material.

4.2 Sorting Requirements

- 4.2.1 If sorting is required at (ASTEMO)AM-BK facilities, the supplier shall be contacted by a (ASTEMO)AM-BK Quality Associate.
- 4.2.2 The supplier must provide trained associates. All suppliers must contact the (ASTEMO)AM-BK Quality Associate prior to entering (ASTEMO)AM-BK manufacturing facilities.
- 4.2.3 Safety equipment such as steel toes, glasses, and ear plugs must be worn at all times in the manufacturing areas.
- 4.2.4 The supplier shall have full responsibility of training either their associates or hired sorting companies to ensure (ASTEMO)AM-BK quality requirements are being met. (ASTEMO)AM-BK expects the supplier to supervise the sorting and inspection activities during a sort. However, if the supplier fails to respond or in

their absence (ASTEMO)AM-BK representation is required for sorting and inspection, the following charges will apply.

- 4.2.4.1 Suppliers may be held responsible for direct or indirect costs incurred as a result of defective parts deliveries.
- 4.2.4.2 (ASTEMO)AM-BK appointed associates will only perform sorting activities at (ASTEMO)AM-BK or a customer's facility to maintain immediate production requirements, resulting costs will be suppliers' responsibility.
- 4.2.4.3 Travel time and expenses will be charged to the supplier.
- 4.2.4.4 (ASTEMO)AM-BK reserves the right to determine the support required for the containment activities.
- 4.2.4.5 (ASTEMO)AM-BK current chargeback sorting rate is \$60/hr.

4.3 Permanent Corrective and Preventative Action

- 4.3.1 Temporary corrective actions must be documented and forwarded to the (ASTEMO)AM-BK Quality Associate within 24 hours of receipt of the MIR by fax and/or electronic mail in the G8D format showing as a minimum: containment activities, and/or interim corrective actions, material disposition, sort results, and investigating team with primary contact information.
- 4.3.2 A comprehensive corrective action report is required within 5 days. As a minimum the report shall have identified in G8D format: root cause (both system failure and non-detection), permanent and irreversible corrective actions to be taken with commitment dates and the associates responsible for the activity/action.
- 4.3.3 Updated corrective action reports are required when all permanent corrective actions are in place. Validation of permanent corrective action taken will be documented and submitted before the MIR is closed.
- 4.3.4 A (ASTEMO)AM-BK Quality associate may require on-site verification of permanent corrective actions.
- 4.3.5 The supplier may be required to present corrective actions and evidence of effectiveness to (ASTEMO)AM-BK Quality Manager or other management.

4.4 Permanent Corrective and Preventative Action Parts Labeling

- 4.4.1 Supplier shall implement the following items in order to facilitate the smooth control of initial parts deliveries during initial production of permanent corrective and preventative action parts.
- 4.4.2 Initial shipments of permanent countermeasure parts shall be identified with the **"Permanent Countermeasure Parts Delivery Notice"** (see Appendix 4) printed in GREEN or on green paper.

- 4.4.3 In the event a supplier fails to provide proper material identification or labeling as stated within this document, product cannot go directly to warehouse. A dock charge may be assessed to the supplier. Product will be considered non-conforming and corrective action may be required.

5.0 Supplier Delivery Performance

5.1 On-time Delivery Requirement

- 5.1.1 100% on time delivery is required of all suppliers. Appropriate planning information and purchase commitments to enable suppliers to meet this expectation are provided by (ASTEMO)AM-BK Production Control.

5.2 Delivery Performance Monitoring

- 5.2.1 Supplier delivery performance is monitored and is an element of the supplier performance rating system. Appropriate corrective actions shall be required in the event of failure to meet these delivery requirements.
- 5.2.2 (ASTEMO)AM-BK IATF 16949 Work Instruction TS-WI-7.4.3.2-001, Supplier Monitoring and Development, states in part that (ASTEMO)AM-BK will conduct a quarterly review of supplier's on-time delivery performance. This Work Instruction further states that five suppliers will be selected for delivery development each quarter. The criteria for selecting the five suppliers is as follows: (1) supplier delivery performance is less than 100% on-time delivery, and (2) supplier has one of the five highest number of incidents of off-schedule deliveries compared to all other (ASTEMO)AM-BK suppliers. Further, if the supplier has not improved their delivery performance by the end of the next (following) quarter, the supplier will be placed on **probation** at which time they may not be considered for new business without special approval from (ASTEMO)AM-BK Plant Manager. If after two consecutive quarters the supplier fails to improve their PPM, the business may be permanently removed. Removal from probation status may be accomplished when the supplier has performed one evaluation quarter at a level higher than the original quarter (the quarter that caused them to be placed on (ASTEMO)AM-BK five worst supplier list for delivery performance development). You may view your company's performance records, including delivery and quality data, by visiting (ASTEMO)AM-BK website at www.hitachi-automotive.us. Click on the "supplier" link, enter your (ASTEMO)AM-BK assigned user name and password, and click on "Supplier Performance."

5.3 Premium Freight Cost

- 5.3.1 The supplier shall be held responsible for excess freight cost incurred because of lack of supplier performance. This includes premium freight charges from the supplier facility to the (ASTEMO)AM-BK facility as well as any applicable premium freight charges incurred by the customer.

6.0 Labeling and Packaging Requirements

- 6.1** All products shall be identified and labeled in accordance with (ASTEMO)AM-BK specifications and AIAG standards.
- 6.2** Packaging method/style shall be determined at the time of inception of the business. However, in the interest of environmental control, (ASTEMO)AM-BK may implement the use of returnable containers at any point in time. (ASTEMO)AM-BK expects each supplier to cooperate with this requirement.

7.0 Electronic Order Transmission System

- 7.1** All suppliers to (ASTEMO)AM-BK must have capability of receiving firm order and forecast information electronically via EDI or Supply Web. Suppliers must send ASNs (Advance Shipping Notices) to (ASTEMO)AM-BK within one hour after shipment of product.
- 7.2** All suppliers to (ASTEMO)AM-BK must have an internal work instruction (documentation) on how to support and plan EDI transmissions. This will also include how suppliers to (ASTEMO)AM-BK verify if the releases/requirements are downloaded and how the suppliers confirm with sub suppliers on supportability.

8.0 Contingency Plans

- 8.1** All suppliers to (ASTEMO)AM-BK must have contingency plans for EDI, transportation, packaging, equipment failures and natural disasters. Contingency plans must be tested annually with results, action items etc. The annual results must be made available to (ASTEMO)AM-BK purchasing manager.

9.0 MMOG/LE

- 9.1** All suppliers to (ASTEMO)AM-BK must adhere to MMOG/LE or equivalent. Suppliers to (ASTEMO)AM-BK are required to record an explanation for their assessment response and provide direction on how to retrieve the documented evidence for all 197 criteria recorded as compliant in the "Current State and Supporting Evidence" section of the "assessment" worksheet in their MMOG/LE Assessment. Any criteria marked as non-compliant should have an action plan noting the actions for becoming fully compliant.

10.0 Sub Supplier Mapping

- 10.1** All suppliers to (ASTEMO)AM-BK will have a documented procedure on sub supplier mapping showing geographic locations and potential failures. All suppliers to (ASTEMO)AM-BK should have a "sub sub-supplier" risk assessment process.

Appendix 1:

SREA PARTS DELIVERY NOTICE

SUPPLIER TO COMPLETE		
SUPPLIER NAME:		SUPPLIER CODE:
SUPPLIER CONTACT:		CONTACT NUMBER:
SQA CONTACT:	BUYER:	QUANTITY:
PART NAME:	PART NUMBER:	REVISION LEVEL:
SREA NUMBER:	APPROVAL DATE:	P.O. NUMBER:
CHANGED ITEM DESCRIPTION:		
REMARKS/ COMMENTS:		

**Electronic versions of these forms are available from (ASTEMO)AM-BK SQA.*

Appendix 2:

TRIAL PARTS DELIVERY NOTICE

SUPPLIER TO COMPLETE		
SUPPLIER NAME:		SUPPLIER CODE:
SUPPLIER CONTACT:		CONTACT NUMBER:
SQA CONTACT:	BUYER:	QUANTITY:
PART NAME:	PART NUMBER:	REVISION LEVEL:
P.O. NUMBER:	REQUESTOR:	
PURPOSE OF SAMPLES:		

**Electronic versions of these forms are available from (ASTEMO)AM-BK SQA.*

Appendix 3

PPAP SAMPLES DELIVERY NOTICE

SUPPLIER TO COMPLETE											
SUPPLIER NAME:						SUPPLIER CODE:					
SUPPLIER CONTACT:						CONTACT NUMBER:					
TYPE OF SUBMISSION:		INITIAL SUBMISSION		RESUBMISSION		ENG. / DESIGN / PROCESS CHANGE					
LEVEL OF SUBMISSION:		I		II		III		IV		V	
SQA CONTACT:				BUYER:				QUANTITY:			
PART NAME:				DRAWING NUMBER:				DRAWING LEVEL:			
SREA NUMBER:				P. O. NUMBER:							
REMARKS/COMMENTS:											

*Electronic versions of these forms are available from (ASTEMO)AM-BK SQA.

Appendix 4:

PERMANENT COUNTERMEASURE PARTS DELIVERY NOTICE

SUPPLIER TO COMPLETE		
SUPPLIER NAME:		SUPPLIER CODE:
SUPPLIER CONTACT:		CONTACT NUMBER:
SQA CONTACT:	BUYER:	QUANTITY:
PART NAME:	PART NUMBER:	REVISION LEVEL:
MIR NUMBER:	SHIP DATE:	P.O. NUMBER:
CLEAN DATE:	LOT NUMBER:	
085REMARKS/ COMMENTS:		

Appendix 5:

NEW PRODUCT DELIVERY NOTICE

SUPPLIER TO COMPLETE		
SUPPLIER NAME:		SUPPLIER CODE:
SUPPLIER CONTACT:		CONTACT NUMBER:
SQA CONTACT:	BUYER:	QUANTITY:
PART NAME:	PART NUMBER:	REVISION LEVEL:
EARLY PRODUCTION CONTAINMENT BEGIN DATE:		EARLY PRODUCTION CONTAINMENT END DATE:
NEW ITEM DESCRIPTION:		
REMARKS/ COMMENTS:		