

**WARN AUTOMOTIVE, LLC**  
**13270 SE Pheasant Ct.**  
**Milwaukie, OR 97222**

## **SUPPLIER QUALITY MANUAL**

**Last Updated: November 19th, 2017; Printed Copies are for Reference Only**

### 1.0 Introduction

Warn Automotive is committed to meet or exceed our customer's expectations by providing superior products while displaying excellence in quality, competitiveness, innovation, delivery and service. As an extension of our business operation, we require our supply base to share in this commitment and drive to 100% On Time Delivery with zero defects.

The goal of Warn Automotive is to establish strong supplier relationships with a high degree of integrity, trust and ethics. Warn Automotive operates fairly and makes decisions based solely on overall value. Any inappropriate influence to compromise is not tolerated. It is required that this commitment be made to our suppliers sub-suppliers and throughout the entire supply chain.

Warn Automotive believes that quality is a prime component to profitable businesses. That quality is a function of carefully planned and controlled processes backed by strong management commitment to continual improvement systems and personnel. Warn Automotive will seek suppliers who are a reflection of our company mission and quality philosophy.

The results that Warn Automotive seeks will not occur from random sourcing or selecting suppliers solely on competitive quotations. It will result from making the correct selection of suppliers, and then working closely with them for continuous improvement regarding quality, productivity and communication.

The basic strategy for establishing these "working relationships" is through the establishment of performance expectations and measures, communicating the results, initiating corrective actions to ensure continuous performance improvements, and over time, rewarding the best with the opportunity for more business through new product introduction and product transfers. Suppliers will be measured against the 3CQL model. Those that are able to consistently meet established Cost, Capacity, Capability, Quality and Logistical needs will ultimately be rewarded.

The requirements contained herein are only the minimum to do business with Warn Automotive. It is the responsibilities of our suppliers to understand these requirements and any additional requirements communicated.

### 2.0 Scope

This manual provides a working overview of Warn Automotive Quality Systems and Supplier Requirements. It applies to all suppliers globally.

This Manual has been developed to describe and define Warn Automotive requirements and expectations of suppliers. It is intended to drive consistency on a global basis in Warn Automotive sourcing, Purchasing and operating functions. Its goal is to create a favorable working business environment for both Warn Automotive and suppliers that strives for high customer satisfaction while supporting continuous cost reductions, high quality,

ongoing improvements in overall efficiencies and productivity, and ultimately profit.

Any purchasing or quality representative within Warn Automotive can be contacted with questions about or requests for additional copies of this manual. Any printed copy of this manual is a reference copy (i.e. uncontrolled distribution). A current copy of the Supplier Quality Manual can be obtained on the Warn Automotive website. <http://www.warnauto.com>

It is the supplier's responsibility to check at regular intervals for updates to this Manual. If for any reason, the above web-site cannot be accessed, it is the supplier's responsibility to contact Warn Automotive.

The manual describes...

3.0 – 8.0 Warn Automotive and its Supplier's Mutual Objectives for Purchasing, Technology, Quality, Responsiveness, Capacity and Delivery and Cost.

9.0 Supplier Communication to Warn Automotive

10.0 Environmental

11.0 Warn Automotive and Supplier Agreements that are required

12.0 *Incoming Inventory Requirement*

13.0 Cost Recovery Policy

14.0 Warn Automotive Part Submission Requirement Deliverables that must be sent along with all new parts.

15.0 Warn Automotive Part Submission Requirement Deliverables that may be additional to Section 11.0 deliverables.

16.0 Warn Automotive Part Submission Requirement Deliverables for Automotive ISO/TS16949 new parts.

17.0 Automotive ISO/TS16949 Supplier Expectations, Responsibilities and Expectations

18.0 Aftermarket (Non-Automotive) Supplier Expectations, Responsibilities and Expectations

19.0 Warn Automotive Supplier Specific Responsibilities & Requirements – Steel Suppliers

20.0 Warn Automotive Supplier Performance Report (SPR)

21.0 Warn Automotive Supplier Rating System

### 3.0 Purchasing Objective:

Maintain a competitive advantage by providing materials of the highest quality and the lowest cost, with the best delivery, responsiveness, and technology available, by selecting fewer but better suppliers. To accomplish these objectives we will need to; establish and maintain long term commitments, promote effective communications, obtain mutual agreement on goals and expectations, treat a supplier's process as an extension of Warn Automotive processes, and utilize a team approach to achieve performance improvements.

The success of this endeavor is rightfully shared with our suppliers who specifically contribute to our commitment to excellence. Superior performance in the following areas will result in increased business, increased sales, and profitable growth for our suppliers. At all times our approved suppliers must maintain confidentiality of Warn Automotive drawings, specifications and IP information.

### 4.0 Technology Objective:

Warn Automotive must compete in the world market on the basis of design technology as well as manufacturing technology. We expect our suppliers to be technological leaders in their respective fields of design and manufacturing. Suppliers are expected to participate in mutual engineering throughout the life cycle of Warn Automotive products to enable timely introductions, continuous quality, and cost improvements.

Provide Leading Edge Technology – The long term supplier must be innovative and creative in providing state of the art products or processes that are used.

Timely New Product Introduction – It is imperative that suppliers be in the forefront of the marketplace and must meet their announced introductions schedules. Time to Market is extremely critical.

Concurrent Engineering And Technical Teamwork – Suppliers must be willing to participate in mutual engineering activity as required. We expect our suppliers to work closely with Warn Automotive engineering resources to provide design and application assistance. This applies not only to newly released products, but to existing products as well.

Strong Commitment to Research and Development – Since technical innovation is the primary ingredient of improvement, a supplier's management should demonstrate a strong commitment to their research and development funding programs.

#### 5.0 Quality Objective:

Warn Automotive has always set a quality goal of zero defects. Our quality expectation is delivery of defect free materials that conform to stated requirements. Quality and reliability are expected to be achieved through superior design, process control, and continuous improvements. All material is to be fit for use and cosmetically acceptable. As our supplier you understand and accept the goal of supplying Warn Automotive with 100% quality materials and provide warranty of such material to include epidemic failure guarantees.

Special/Critical/Key Characteristics – Suppliers are required to demonstrate conformity to Warn Automotive requirements for designation, documentation and control of Special/Critical/Key Characteristics

Process Control – Quality should be the result of the supplier's internal process control, not external quality control. Warn Automotive expects suppliers to have documented process improvement strategies in place to remain cost competitive. Warn Automotive requires a supplier to utilize process control techniques and to have the appropriate documentation supporting such activities. Regardless of improvements made, the goal will always be to do better.

Supplier Certification Requirements: For supplier providing Automotive (ISO/TS16949) products the supplier must obtain and maintain ISO 9000 Certification as a minimum. For All other Suppliers: ISO 9000 Certification is NOT mandatory but may be required as determined upon results of the supplier selection assessment of the specific Supplier Process Technology and Overall Risk to Warn Automotive Business.

Continuous Quality Improvements – Programs such as Statistical Process Control (SPC) and Total Quality Control (TQC) make improvement a part of every employee's responsibility and are major ingredients for meeting this goal.

Ongoing Quality Verification – It is expected that our suppliers will assume responsibility for the quality of their products making incoming inspection on our part unnecessary. Further, the supplier should be able to provide, upon request, data supporting outgoing quality verification.

Responsiveness to Corrective Action Requests – Warn Automotive expects our suppliers to work quickly and effectively to resolve reported quality problems. Time is of the essence and all efforts to resolve corrective actions are expected. Suppliers must be willing to own all costs of defective material and the costs to resolve deficiencies that are presented.

Disaster Recovery/Business Continuity – All suppliers must insure risk management by development and active performance to disaster recovery and business continuity planning. Disaster recovery planning must address risk management with respect to execution of recovery plans for natural disasters, systems failures and other unplanned events. Business Continuity risk management must address labor strikes, shortages, business health and acts of terrorism. All sites that provide goods and services to Warn Automotive will be audited for risk mitigation before approval will be granted for use.

## 6.0 Responsiveness Objective:

Warn Automotive expects suppliers to be responsive to swings in demand, with short cycle times, and appropriate inventory management, while maintaining flexible capacities to resolve problems. In addition, the changes in our global business environment require that we adapt our processes and business plans to accommodate best practice options quickly. As one of our suppliers, your management must understand and support our expectations by developing strategic and tactical plans to address those expectations.

Responsive to Changing Needs – As indicated, Warn Automotive operates in an environment that is ever changing. Warn Automotive suppliers must recognize the need to respond quickly and positively to the dynamic operating environment. Adaption and adherence to environmental standards and global codes of conduct insure that we can continue to address key markets for our business. Commitment to Environment Warranty (EWS), RoHS, WEEE, Hazardous Material Disposition capabilities must be demonstrated. In addition, Established Industry Codes of Conduct must be followed in support of our commitment to being a good business partner. Warn Automotive commits to support our suppliers by minimizing operational problems that may arise because of changes in requirements.

Electronic Data Interchange (EDI) – Electronic Data Interchange, meaning the computer to computer exchange of business information in a standard format is required in today’s business climate. In order to maximize competitive advantages, Warn Automotive requires suppliers to provide services and goods by integrating EDI in their business processes.

Initiate Communication on Potential Problems – It is essential that suppliers notify Warn Automotive of potential problems as they are discovered. Often times, if notified soon enough, contingency plans can be developed to respond accordingly.

Support of Sole Sourced And Allocated Parts – Warn Automotive expectations of a supplier do not change for sole sourced and allocated parts. Of concern is getting adequate notice of process changes, product discontinuance, and assurance of supply, particularly in terms of long term support. Suppliers of sole sourced and allocated products have added responsibility of insuring that these concerns are not realized.

Long Term Product Support – As one of our suppliers, you should be committed to support parts through the product lifecycle, usually five to seven years, after our last production run. This should include engineering support, quality, parts, and reasonable lead time and on time delivery of product and value verified pricing.

## 7.0 Capacity and Delivery Objectives:

Warn Automotive expects deliveries to be 100% on time within a window of two days early and no days late to committed dock date. To achieve this objective there must be a commitment to delivery performance. Lead times must be short by industry standards, reliable, and decreasing over time.

On Time Delivery – As a supplier you must be capable of achieving 100% on time delivery. This may include daily shipments to our factory. You have the right to expect forecasts from Warn Automotive that fall within the agreement terms. In all cases, purchase order dates will be expected receipt dates. In order to improve performance in this area, suppliers must be willing and able to participate in Vendor Managed Inventory (VMI) and Schedule Sharing programs to allow for flexibility, performance to short lead times and proactive management of our forecasted needs

Product and Tooling Lead times – Warn Automotive expects lead times to be short, actively managed and stable over an agreed upon period of time. Based upon Warn Automotive’s ability to delivery timely forecasts to our suppliers, it is expected that suppliers will utilize this information to further support lead time reductions. Suppliers should reduce lead times based upon real reduction of manufacturing time or ordering processing time, such as reducing set up times, smaller quantity runs, rearrange manufacturing areas or other continuous flow process methods. Warn Automotive expects lead times to decrease over time and relies on lead times to remain stable regardless of business conditions.

Assurance of Material – Warn Automotive has committed to provide visibility of our requirements through the transfer and availability of our forecast and by maintaining a close relationship with our suppliers. In exchange, we expect to be assured of getting sufficient material to meet our requirements during market upturns. In no instances can we accept supplier de-commitment of delivery and product allocation constraints.

Packaging – As our supplier you must be able to package parts to meet our requirements. This includes labeling containers appropriately using bar code technology. Exact part counts are essential to insure process flow without interruption or non-value added activity.

Dock to WIP – Suppliers should be capable of supplying material directly from your factory to the Warn Automotive production line. This means that parts must be packaged properly for the assembly line and need not pass through an internal audit before use.

Location - Suppliers must commit to service Warn Automotive global needs on a local level and locate factories in support of Warn Automotive global footprint.

Prototype Support – In order to meet time to market windows and delivery expectations of our customers, special consideration needs to be placed on the delivery of prototype products. Approved Suppliers are expected to share the risk of new product development by providing no cost prototype support at drastically reduced lead times. Time to Market is especially critical to our business model. Mutual efforts to achieve this goal will assure continued business growths that are mutually shared by Warn Automotive and our supply base.

## 8.0 Cost Objective:

Warn Automotive expects to minimize costs in order to be competitive worldwide. In order to remain competitive, Warn Automotive must have low cost, high quality products. Since material is the major component of Warn Automotive operating cost, our supplier must be willing to enter into cost analysis discussions with us. These discussions will include cost reduction initiatives. In addition, any cost increases must be fully justified,

mutually agreed upon, and substantiated in writing. As a general rule, Warn Automotive does not accept cost increases without fully documented justification. You should be prepared to enter into letters of agreement if deemed appropriate by Warn Automotive.

Value Engineering – An important consideration for low costs is value engineering, commonly referred to as Design for Manufacturability (DFM). Suppliers will be expected to submit recommendations for designs that will simplify Warn Automotive design and to support standardization efforts.

Price Reductions Through Process Improvements – We do not expect our suppliers to provide these reductions by selling products below their cost. It is important that cost reduction programs such as continuous process improvement are in place with allow for them to be the low cost supplier via process improvements.

Support of Price Roadmap Development – Suppliers must willing engage in the development and sharing of price roadmap strategies. Most favored customer pricing is a requirement for additional success in achieving cost reduction goals. It is required that cost model sharing is provided upon request in order to help us mutually attain our global cost goals.

Feedback on Opportunities for Improvement – We expect our strategic suppliers to provide us with ideas for cost reduction opportunities, and likewise, we are looking for suppliers who are willing to consider our ideas. Our intention is to purchase industry standard materials at the lowest cost from qualified suppliers. We rely on your expertise in creating and developing the process to support the highest possible level of quality and the avoidance of unnecessary cost adders to insure the lowest possible cost of ownership for Warn Automotive.

Social Responsibility – Suppliers must adhere to acceptable global social standards. Compliance with all international, national, regional and other applicable laws and regulations that apply to the region are mandatory and must show evidence that these have been identified and addressed for compliance. Specific categories of fair labor practices, employee health and safety, fair business ethics, and compliance to code of conduct parameters will be evaluated for effectiveness. Included in this area is Environmental Responsibility. Suppliers must show acceptable recycling, hazardous material management and chemical safety processes.

## 9.0 Supplier Communication to Warn Automotive

Suppliers are required to provide prior notification to Warn Automotive of planned changes in the Suppliers Process. The Supplier Notification for Change Request (SNCR) Form shall be submitted with supporting

documentation for approval when a change affects form-fit-function. Warn Automotive approval must be granted prior to implementing change.

Changes include relocation of manufacturing site, production moved to a new sub-supplier (Direct material, subassemblies, Part Finishes, etc.) and reassignment of Key Personnel especially interfacing with Warn Automotive.

Suppliers are required to communicate with Warn Automotive changes of any circumstance that may affect Quality, On Time Delivery, and/or Cost. While Warn Automotive encourages “function to function” communication on any issue, Warn Automotive Purchasing must be included in all significant communications.

All documents submitted to Warn Automotive are to be submitted in English.

Warn purchase orders and part drawings are the communication tools used to disclose terms, specifications, timelines, documentation requirements or other information outside normal quality standards.

Part drawings, purchase orders, specification sheets, quality systems reports / documents are considered quality records and are subject to document retention requirements.

Suppliers are required to ensure strict confidentiality of communications which directly applies to Warn Automotive purchase orders, prints, and other communications used to disclose terms, specifications, timelines, documentation requirements or other information outside normal quality standards

## 10.0 Environmental Issues:

Warn is certified to ISO14001 Environmental Management System (EMS) standard. In order to maintain our certification, the following are required.

Material Safety Data Sheet (MSDS): The chemical manufacturer, importer, or distributor of the chemical must provide an MSDS with each initial shipment and with the first shipment after an MSDS is updated. Alternatively, it may be separately mailed or sent by data transmission system to the user. If MSDS is mailed to Warn Automotive, then the MSDS must cross-reference a purchase order number on the packing slip. Reference <http://www.ilpi.com/MSDS> for more information.

The use of hexavalent chromium in corrosion preventive coatings is not acceptable for parts and materials supplied to Warn Automotive.

All products must comply with all requirements for hazardous substances as stated in Warn Automotive, Inc. Purchase Order Standard Terms and Conditions.

## 11.0 Agreements

*All suppliers must comply with this Supplier Quality Manual and Warn Standard Terms and Conditions.*

All suppliers are expected to enter into specific formal agreements regarding our business relationship. Signed Memo of Understanding (MOU), Confidentiality agreements (NDA) and Extended Term Inventory (Consignment) are required before approval is granted for continuous commerce transactions. Long term relationships with suppliers that can provide world class global products and service will help insure mutual success of all parties.

Warn Automotive Right of Access: Suppliers are required to comply with Right of Access as stated in Warn Automotive Purchase Order Standard Terms and Conditions.

An Onsite Quality System Assessment is typically required prior to issuance of initial purchase order agreement.

Warn Automotive reserves the right to re-asses current suppliers prior to placement of new business, as the result of a supplier’s quality performance, when there is a significant ant change in the supplier’s facility or processes, a

change in ownership, a significant change to the previously supplied product or as part of the Warn Automotive Supplier Quality Surveillance Program.

International suppliers must complete an International Business Activities / Compliance with U.S. Foreign Corrupt Practices Act (FCPA) Policy after reading Warn Automotive’s International Business activities (FCPA) Policy.

Special Preference Programs (Free Trade Agreements) Documentation:

- Notice by letter on supplier letterhead annually to Warn Automotive.
- Supplier is required to submit blanket NAFTA certificate annually and provide a supplemental certificate if a change is made throughout the year.
- Provide NAFTA Certification and/or Country of Origin Statement on supplier letterhead or other certification as required under the specific preference program.
- Agree to produce documentation to support any US Customs requirements in regards to a preference program. Warn Automotive will require a periodical audit of manufacturing records to ensure compliance.

Warn Automotive and Dover Corporation is committed to conducting business ethically and with integrity throughout the global supply chain. It is required that all suppliers to have an ethics program in place consistent with Dover’s “Code of Business and Ethics” and must adhere to all applicable Dover Compliance Policies set forth therein.

In addition, Warn Automotive and Dover require the global working conditions and standards be maintained with respectful treatment of all supplier’s employees.

**12.0 Incoming Inventory Requirements**

**12.1. Shipping Documentation/Information**

12.1.1. Agreement of Packing Slip with Received Goods Type, label, identification and Quantity. Timely (prior to shipment) communication of Commercial Invoice and Packing Slip.

12.1.2. On Time Delivery and Quantity per Warn Automotive Purchase Order

12.1.3. Proper (insufficient, sub-standard and/or unsafe) Labeling and Packaging including Load of Container

- **Each box and palletized container of parts is to be identified to allow for traceability and verification of product. For product traceability each container and pallet shall be identified as follows**

	<i>Boxes/Package</i>	<i>Palletized Container</i>
<i>Manufacturer’s name</i>	<i>X</i>	
<i>Part Number</i>	<i>X</i>	<i>X (listed)</i>
<i>Revision</i>	<i>X</i>	
<i>Quantity</i>	<i>X</i>	<i>X (listed)</i>
<i>Lot or Manufacturing Date</i>	<i>X</i>	
<i>PO Number &amp; Line</i>	<i>X</i>	
<i>Country of Origin (International Shipments Only in</i>	<i>X</i>	



<i>accordance with the requirements of 19 U.S.C. 1304 and 19 CFR part 134.)</i>		
<i>Label size Minimum 8.5 X 11 and Font 20</i>		<i>X (all 4 sides)</i>
<i>Weight</i>	<i>25 lbs. Max</i>	
<i>Bar Code label</i>	<i>Warn Automotive Standard 986495</i>	

*Note: Warn Automotive standards can be obtained on the Warn Automotive supplier partners' website.*

<i>Required Pallet Sizes – Exception to be approved by Warn Automotive</i>			
<i>45”</i>	<i>45”</i>	<i>45”</i>	<i>4 ways</i>
<i>40”</i>	<i>48”</i>	<i>45”</i>	<i>4 ways</i>
<i>Note: Solid Wood Pallet &amp; Crate Requirements (International shipments):</i>			
<i>Must meet the International Plant Protection Convention (IPPC) – ISPM 15 Standards</i>			

- Build Packaging (Box) cannot exceed 25 Pounds or 11.3Kgs: Easily lifted by Warn Automotive production Operators & Part box quantity must be maximized (no inner/individual boxes allowed)*
- Packaging Materials, Design, and Protection must provide adequate protection to ensure product arrives undamaged at Warn Automotive or at Warn Automotive Customers including prevent any rust or corrosion of the contents, if allowed, prevent damage from product stacking: Individual Packaging and Palletized Products must pass ASTM D880 Procedure B. Packaging Design must meet requirements for High Speed/Low excess packaging material trashing by Warn Automotive Production.*
- Packaging Material(s) must be defined and provided to Warn Automotive for Environmental Impact Review and Approval. Once approved, no changes can be made to the Packaging Material without an SNCR.*
- Full Containers must be loaded to ensure product is safely delivered to the Warn Automotive dock.*
- Courier shipment (i.e. UPS, FedEx, DHL): Less than \$1000 value and/or 69kgs or less = Courier Shipment. Greater than \$1000 value and/or 69kgs and greater = Designated Freight Forwarder*
- Required Shipping Documentation for International Shipments:*

<i>Air</i>	<i>Ocean</i>	<i>Minimum information on Commercial Invoice</i>
<i>Commercial Invoice</i>	<i>Commercial Invoice</i>	<i>Country of Origin (COO)</i>
<i>Airway Bill</i>	<i>Bill of Lading</i>	<i>Terms of Delivery</i>

<i>Packing List</i>	<i>Packing List (also attach copy to last pallet in container)</i>	<i>Currency product valued in (Accurate market value)</i>
		<i>Solid Wood packaging certified</i>
		<i>Part number and detailed description of product to correspond with purchase order</i>

13.0 Cost Recovery Policy

Suppliers are liable for all costs incurred by Warn Automotive per the Warn Automotive PO terms and Conditions. Charges to suppliers will be based on local rates of the affected Warn Automotive manufacturing location as applicable in the region. Potential charge-backs to suppliers include but are not limited to:

- |                                       |                     |  |
|---------------------------------------|---------------------|--|
| Sorting/Rework/Repair/Scrap           | All Premium Freight | Overtime to avoid Production Shutdown      |
| Outside Lab Services/Testing          | Travel to Supplier  | All Costs associated with Customer Returns |
| Delays in IMDS and/or PPAP Submission | Contractor Costs    | Presence of forbidden substance            |

*Incoming Inventory Non-Conformity*

Administrative charge – Each Quality issue will have an administrative charge of 2 hours minimum covering the collection of data and documentation of the quality spill/incident.

14.0 The following Part Submission Requirement Deliverables Applicable to All Suppliers/Parts (Automotive & Non-Automotive) as determined by Quality Commodity Engineering and as applicable:

- 14.1. Part to 100% Drawing/Specification 1st Article with attached Balloon Print, with # of Samples\_\_\_,
- Submission of First Article documentation and the samples is required. Typically, a minimum of Five (5) samples are required for 1st Article (Card Board Boxes require two (2) samples for 1<sup>st</sup> Article). In the case of multi-cavity tooling/molds Five (5) samples are required from each. Documentation will include a systematic numbering of all print features and notes with a balloon drawing that correlates. All Drawing Notes must be verified for all samples.
  - 1st Article Samples must be manufactured to the standard manufacturing process. Changes to the manufacturing process require notification to Warn Automotive and possible resubmission of 1st Article.
  - Discrepancies must be resolved and approval received before production parts are shipped.
- 14.2. All applicable Material Certifications (Part Base material and any/all Part Finish materials).
- Material Certification (Including Base & Finishing materials) is required as part of the 1<sup>st</sup> Article. Changes to the part materials including finish material require notification to Warn Automotive and resubmission of 1<sup>st</sup> Article.
- 14.3. Supplier Specification Sheet (If no Warn Automotive Part Drawing is available e.g. Charted Commodity Item)
- 14.4. Packaging Plan: Per Section 12.0 Above
- 14.5. Proof of Warn Automotive Customer Tooling Identification (Photos).
- Warn Automotive tooling purchasing documents specify the Tool identification requirements that require photographic evidence of compliance.

- 14.6. European End of Life Vehicles Directive (ELVD) conformance statement.
- Evidence of Compliance with Environmental Issues:
  - All products need to be European Union's (EU) End-of-Life Vehicle Directive (ELVD) compliant. Reference <http://www.pfonline.com/articles/050304.html>.
  - Note: The use of hexavalent chromium in corrosion preventive coatings is not acceptable for parts and materials supplied to Warn Automotive. All products must comply with all requirements for hazardous substances as stated in Warn Automotive Purchase Order Standard Terms and Conditions.
- 14.7. Warn Automotive Approved International Material Data System (IMDS) Submission Report.
- All suppliers must provide evidence of part data submission acceptance by Warn Automotive - a hard copy of approval email and/or accepted IMDS Submission Report
  - The part numbers in the acceptance note must match the part numbers on the Warn Automotive Purchase Order.
  - Product material and substance content for all parts must be reported via the International Material Data System (IMDS) to Warn Automotive IMDS Site 4738 and in compliance to reporting requirements for IMDS.
  - Products containing substances of concern that are restricted and/or prohibited must comply with current legal and customer requirements.
  - The supplier's IMDS submission must reflect the supplier's part as delivered to Warn Automotive.
  - Life Cycle Assessment (LCA) data must be available upon request.
  - Suppliers are responsible for cascading the requirement and collecting data from their respective sub-suppliers.
- 14.8. Level 1 PPAP: Complete, Accurate and Signed Part Submission Warrant (PSW)
- All suppliers must provide at a minimum a Level 1 PPAP
  - Level 1 PPAP = AIAG Formatted Part Submission Warrant (PSW)
  - All Sections of the PSW must be completed, accurate and approved by the appropriate Supplier authority.
  - Supplier is documenting on the PSW that the Supplier agrees to comply with all applicable sections of this Warn Automotive Supplier Quality Manual (SQM).
  - Shipment of production materials, parts and/or products cannot begin until Supplier receives signed & approved PSW by Warn Automotive.
  - Supplier must maintain quality records for all Part Submission Requirement Deliverables particularly the approved PSW by Warn Automotive releasing production shipments.

15.0 Additional Part Submission Requirements as Applicable to specific Product/Part/Material

15.1 Provide Process Capability Analysis Results – Thirty (30) Samples Minimum

- Parts must be 100% Compliant with print
- Process Capability (Cpk) must be greater than 1.67 for each Critical/Significant Characteristic
- Process Capability 1.66 or less requires Supplier to implement Process Controls to ensure all parts to Warn Automotive conform to print. Evidence of process controls to be forward for review/approve as required.
- Gauge R&R (Attribute or Variable) for each Special Characteristic Measurement Technique
- Calibration for all Gauges and test Equipment used to access suitability for shipment.

- 15.2 Either a Specific Product/Process Quality Plan or the Advance Product Quality Planning (APQP) documentation per manual published by the Automotive Industry Action group (AIAG):
- APQP consists of the following documents: Process Flow Diagram, Process FMEA, & Process Control Plan
  - Warn Automotive Special/Key/Critical/Key Characteristics must be designated on Quality Plan or APQP Documents
  - Always applicable for Suppliers providing Purchased Finished Goods = Pass through Products such as Winches, Bumpers, Plows, Electrical Products, etc.... that Warn Automotive provides Overall Top Level Product Specification.

15.3 Test Reports (UV, Adhesion, Salt Spray)

- Per Applicable Reference Notes for Warn Automotive Specifications for Part Finish Requirements including compliance to Color Chip, Same Finish Material (Same specified provider of Finish Material is preferred), Standard ASTM Workmanship for Pre-Cleaning Effectiveness (ASTM F22-02), Part Finish Adhesion (ASTM D3359-09), Part Finish Thickness (ASTM B499 -09), and Part Finish Durability (ASTM B117 & D1654).
- Supplier is responsible to ensure all Workmanship and Durability Testing is completed and acceptable as part of the Supplier's 1st Article Submission.

15.4 Other as specified on the Part Submission Form (Typical examples below)

- Identification and Evidence of Control of Supplier Special Processes
- Defined as process where the conformity of the resulting product cannot be readily or economically verified is a "special process". This includes any processes where deficiencies become apparent only after the product is in use, such as heat-treating, painting, plating and welding.
- Control includes such being carried out only by qualified operators and equipment. The requirements for any qualification of process operations, including associated equipment and personnel shall be established and available for review. Records shall be maintained for qualified processes, equipment and personnel, as appropriate and available for review. Process shall be revalidated periodically, such as annual corrosion testing with results available for review.
- Run at Rate Capacity Verification using Warn Automotive Capacity Analysis Report
- Quality Record Retention
- All Safe Launch Requirements for Initial Supplier Part Production shipments to ensure product launch is not delayed to unforeseen arrival quality issues.

16.0 Part Submission Requirement Deliverables for Automotive (Aftermarket Parts are excluded) ISO/TS16949

16.1 All Part Submission Requirements Specified in Section 10 above are required for all Suppliers including ISO/TS16949 Suppliers

16.2 Level 3 PPAP additional requirements are per separate Production Part Approval Process (PPAP) Checklist.

## 17.0 Automotive ISO/TS16949 Supplier Expectations, Responsibilities & Requirements

- 17.1 ISO/TS 16949 Certification or ISO 9001 Certification with ability to provide AIAG PPAP Deliverables.
- 17.2 Supplier must demonstrate APQP requirements especially designation, documentation and control of Special/Key/Critical Characteristics, selection/control of Sub suppliers, all aspects of Product Realization and Measurement, analysis and improvement (e.g. SPC, Pre-Control, Continuous Improvement, etc....).
- 17.3 Conduct Annual Layouts: Supplier will perform an annual layout inspection and submit report to Warn Automotive Quality. Includes Capability Analysis for all special characteristics, applicable Gauge R&R (Attribute/Variable), Evidence of required Calibration, Review & Verification of all Visual Aides or Master Samples and Overall Tool Assessment.
- 17.4 Premium Freight Cost Reporting: Is freight that exceeds standard transportation freight cost and is not part of supplier's standard shipping practice. Supplier is required to track charges for premium outbound freight and report them to Warn Automotive on a quarterly basis.
- 17.5 Special Processes: Suppliers who furnish components, where the end customer is an Automotive OEM must fully comply with the requirements set forth in AIAG Special Process System Assessments below.
- Heat-Treating processes shall be assessed annually against AIAG CQI-9 Special Process: Heat Treat System Assessment and any customer specific standard on the drawing.
  - Plating processes shall be assessed annually against AIAG CQI-11 Special Process: Plating System Assessment.
  - Coating processes shall be assessed annually against AIAG CQI-12 Special Process: Coating System Assessment.
- 17.6 Capacity - Run At Rate Verification
- The intent of Run at Rate is to demonstrate that the normal production process including all shared equipment and resources through shared value streams can produce required weekly volumes. It is the supplier's responsibility to complete and submit Run at Rate documents.
  - In the event issues are identified during the Run at Rate, the supplier will create an Open Action List which will be tracked by Warn Automotive until closure.
  - Warn Automotive Capacity Analysis Report Phase 3 PPAP (Cap Ver) will be utilized for Periodic Run at Rate verification.
- 17.7 Once a Warn Automotive product leaves active marketing business plans, warranty and service production continues for extended periods of time. In the case of OEM's, this period of time can be extensive, and is controlled by Warn Automotive customer agreements. Warn Automotive expects the supplier to be able to provide parts for the duration of the service part period until the part is designated 'Obsolete'. This includes:
- Product Obsolescence: Components that are part of a Warn Automotive product that no longer have production requirements, if these parts are not used in alternate Warn Automotive product, will be designated as 'Obsolete'. This releases the supplier from storing or maintaining production readiness for supply of this component.

- 17.8 Warn Automotive will provide written notification to the supplier when a part is obsolete.
- 17.9 Warn Automotive will direct the supplier to either return or scrap tooling and gauging.
- 17.10 Documentation shall be retained according to the ‘Documentation and Record Retention’ requirements, but after that period of time can be destroyed.
- 17.11 Warranty agreements remain intact until the warranty period has expired.
- 18.0 Aftermarket (Non-Automotive) Supplier Expectations, Responsibilities & Requirements – Applicable to all Suppliers providing parts that do not require complete compliance ISO/TS 16949 Certification.
- Aftermarket parts shall be understood as replacement parts not procured or released by the OEM for service part applications that may or may not be produced to original equipment specifications.
- 18.1 Suppliers are NOT required to achieve or maintain ISO 9000 Certification unless deemed required by Warn Automotive after supplier assessment. Suppliers deemed to be ISO 9000 certified must provide
- Current copies of all certificates of registration, or that of your sub-contractor if supplier is a distributor.
  - Upon request results of Ongoing Certification Audits and notify Warn Automotive in writing within five (5) working days when a certification body/registrar does not recommend re-certification.
- 18.2 Supplier requirement for Quality Record Retention
- Suppliers are to maintain documented evidence that products and services provided to Warn Automotive conform to requirements specified in Warn Automotive prints and purchase orders for a minimum of one (1) year.
- 18.3 Supplier requirements for Communications
- All documents submitted from Supplier to Warn Automotive are to be submitted in English.
- 18.4 Suppliers are required to communicate with Warn Automotive changes of any circumstance that may affect Quality, On Time Delivery, and/or Cost. While Warn Automotive encourages “function to function” communication on any issue, Warn Automotive Purchasing must be included in all significant communications.
- 18.5 Suppliers are required to provide prior notification to Warn Automotive of planned changes in the Suppliers Process. This includes supplier’s manufacturing relocation or process outsourced to sub-supplier.
- Suppliers are required to ensure strict confidentiality of communications which directly applies to Warn Automotive purchase orders, prints, and other communications used to disclose terms, specifications, timelines, documentation requirements or other information outside normal quality standards. In addition, Suppliers are required to participate in design, drawing and process reviews, and provide technical expertise for the Supplier’s production process.
- 18.6 Warn Automotive Part Submission Requirements/New Product Deliverables
- For new parts and/or products, the Supplier must return completed Warn Automotive Part Submission Requirement Deliverables to Warn Automotive Purchasing particularly a Level 1 PPAP (PSW) for review & approval.
  - All Supplier Submission Requirement Deliverables (e.g. 1<sup>st</sup> Article dimensional) must be the same as specified on Warn Automotive Print (inches or metric).

- 18.7 Supplier Quality and Delivery Requirements
- Suppliers Arrival Quality Goal is Zero (0) Defects and On Time Delivery Goal is 100%; no exceptions.
- 18.8 Suppliers are responsible for all unplanned Premium Freight in order to OTD and Warn Automotive production requirements.
- 18.9 Supplier Quality Processes Requirements and Process Development Responsibility
- Per Section 5.0 above, Supplier is required to review Warn Automotive Drawings/Specifications provided by Warn Automotive Purchasing to Identify and Control all of the Product, Sub-Assembly, Part and Component Key/Special/Critical Characteristics. Such Characteristics are shown on prints and specifications using designated symbols.  
These Characteristics include heat treatment, density, type of material, gear shape dimensions, part surface roughness, Powder Coat color & durability, and Finished Product Final Acceptance/Durability Requirements.
  - Supplier is required to incorporate the Key Characteristics into Operator Work Instructions, Applicable Quality Plan and/or APQP Documents as applicable to document exactly how the Supplier ensures that output always conforms to these characteristics (e.g. SPC, Pre-Control, Job Set up, etc....).
  - Other important characteristics may be conveyed by Warn Automotive Quality or Purchasing as applicable.
  - Suppliers are to ensure that the provided Warn Automotive Prints match the revision noted on the purchase orders. Suppliers are responsible to acknowledge receipt, review and implement promptly all properly authorized (Signed by Warn Automotive Engineering) “Redlined” Prints provided by Warn Automotive Purchasing who will inform the supplier of the expected date for next print Revision
  - Suppliers are required to have their key manufacturing processes well documented and under statistical process control consistent with the current industry and ISO 9000 standards.
- 18.10 Supplier is required to communicate any/all concerns or problems that can only be resolved with Warn Automotive assistance to Warn Automotive Purchasing along with a Change Request (SNCR) containing a complete description of the change/issue with the reason and benefits and accompanied by relevant supporting documentation.
- Warn Automotive strongly encourages suppliers to submit mutually beneficial suggestions that will improve product quality, reliability, and/or reduce costs. Warn Automotive Purchasing will communicate the results of Warn Automotive Engineering review to the supplier.
- 18.11 Supplier is required to implement Quality Controls within Manufacturing Process to ensure no defective product with arrive at Warn Automotive and/or Warn Automotive’s Customer. If the supplier detects a nonconformance condition within the manufacturing process at the specified process control points per the use of First Time Quality (FTQ) Metrics, the supplier must implement the required capture, sort, and other required corrective actions as specified.
- 18.12 Supplier is required to maintain the Manufacturing Facility.
- Warn Automotive requires that all material and products be clean and free of contamination.
  - The Supplier facility will be periodically assessed for adequacy of overall cleanliness, inventory storage and employee safety.
  - Supplier is responsible for understanding and implementing Industry “5S” Requirements.

- 18.13 Supplier is required to maintain Warn Automotive and Warn Automotive Customer owned Tooling (Asset Management)
- Assets include tools, gages and fixtures, purchased by Warn Automotive or our customer for use at our supplier's facility to support the production of Warn Automotive parts.
  - Supplier is responsible for Maintenance, Identification and proper storage of all Warn Automotive Specific Tooling.
  - Includes properly identifying Warn Automotive and Warn Automotive Customer Tooling/Equipment.
  - At a minimum the Supplier shall permanently mark with "Property of [customer name]", Warn Automotive tooling number and / or part number, so that the ownership of each item is visually apparent by use of stamp/tag/scribe or other permanent method.
  - Supplier is required to notify the tool builder on purchase order or work order, of the required information to be placed on tooling or equipment. Supplier must send a digital picture of the tooling showing the permanent markings to Warn Automotive Purchasing.
  - Supplier is responsible for calibration and validation of the part-related dimensional accuracy of the asset (Gauge) to the level that insures asset can meet design and repeatability requirements.
  - Supplier is required to follow the Warn Automotive customer's requirements on all customer-owned tooling and equipment.
  - Supplier is required NOT to dispose of any asset until receiving written permission from Warn Automotive.
  - Supplier is required NOT to relocate/move an asset from one facility to another without prior written notification to Warn Automotive.
  - Supplier is required to report on the status of the asset concerning history, condition, location, life estimates, impact to part quality and process capabilities. Tooling Life impacts quality of part produced and it is the Supplier responsibilities to notify Warn Automotive when tooling refurbishment is recommended and/or required.
- 18.14 If applicable, these requirements shall be communicated to the supplier by Warn Automotive Purchasing/Quality.
- Sub-Supplier monitoring and Source Inspection Requirements: Warn Automotive Suppliers must demonstrate adequate control of their Sub-suppliers which would include periodic assessment to ensure Sub-supplier Process Stability and continuation of establish Sub-Supplier Process Controls and Quality Records.
  - Upon request, Suppliers will provide Approved Sub Supplier Listing, work instruction for assessing New Sub Suppliers and provide details (By who/frequency/criteria) on how Sub suppliers and important outsourced process (Heat Treatment, Gear manufacturing & Powder Coating, etc...) are monitored.
- 18.15 Warn Automotive Suppliers must demonstrate adequate control the Supplier's Manufacturing Process Inputs with evidence of adequate receiving function and incoming inspection including proof of proper metrology.
- All Sample Plans must have Acceptance Number "C" = 0, no level of defects is allowed to pass



- 18.16 Warn Automotive Supplier's must ensure employees are properly trained especial if performing specialty operations such as Spot Welding, Heat Treatment and Soldering.
- 18.17 Suppliers are to implement a Total Preventive Maintenance (TPM) Approach to all Tooling & Equipment.
  - TPM Process is defined as a production management approach that places the responsibility for routine maintenance on the workers who operate the machinery, rather than employing separate maintenance personnel for that function. Rather than reacting, Preventive maintenance is a policy that involves using such measures as inspecting, cleaning, adjusting, and replacing worn parts to prevent breakdowns from occurring in the first place.
- 18.18 Supplier Contingency Planning: This includes cross training of Key Personnel, Emergency Preparedness, and Alternative Logistics/Delivery Plans available to be implemented as required.

19.0 Warn Automotive Supplier Specific Responsibilities & Requirements

Specific Additional Commodity Steel Supplier(s)

Supplier Processing Requirements:

Ship exact piece count only; All items must be packaged separately; Color code both ends on all bar stock per specified color; All packaging must be tagged and twist tied to package; Bar Items - must be pulled from the oldest Heat Lot – NO EXCEPTIONS

Supplier Packaging Requirements:

All items must be packaged separately; All bar items must be tagged and twist tied to package; All sheet and plate items must be tagged; Double 2x4 or 4x4 runners on all sheet or plate skids; Stretch wrap both ends of 4' cut bar bundles; 4' cut bar bundles must be banded with 3ea 1.25" wide steel bands; 4' cut bare require 2 wood blocks banded one at each end of bundle; 12' to 16' random length bar bundles must be banded with 4ea 1.25" wide steel bands; Ploy coated liner board bottom and top of sheet skid should this be Poly; Stretch wrap both ends of Stainless tubing MM's 300029403 & 300029399 packages; Bar items, rear Load truck passenger side for forklift unload; Double 2x4 or 4x4's blocking between items for forklift unload; Max bundle sizes: Warn Automotive Pheasant Court – 5000lbs; Steel Bands on Plate and Sheet Products; Verification that Colors Coding is correct per Warn Automotive color chart

Supplier required Quality Instructions:

Surface condition critical all material

All bar orders must be color coded Both Ends per Warn Automotive color chart:

1018 CF A 108	RED	4140 CF NORMALIZED	WHITE
1045 CF	YELLOW	4140 CF ANN A311	BLACK
1141 CF SR ANN	BROWN	4140 R A331	SILVER
1144 CF A 108	PINK	41L40 SPECTRO	GOLD
1215 CF A 108	ORANGE	41L40 ANN SPECTRO	DARK BLUE
12L14 CF A 108	PURPLE		
STRESSPROFFF A 311 B	BEIGE		
86L20 CF	GREEN		
E4340	LIGHT BLUE		

Note: Reference Warn Automotive Color Code Chart for actual Color Comparison for acceptability.

## 20.0 Warn Automotive Supplier Performance Report (SPR)

20.1 The Warn Automotive Supplier Performance Reporting system provides monthly performance metrics on quality and delivery for all suppliers of production parts.

- The supplier performance report is posted on the Warn Automotive Supplier Partners web site <http://www.warnauto.com/partners.jsp>. Suppliers are expected to take prompt corrective action to resolve any identified problem performance and to advise Warn Automotive of progress and status. Extended poor performance as reported by the Warn Automotive SPR will jeopardize a supplier's status as an Approved Supplier to Warn Automotive.

20.2 On Time Delivery Definition - Reported as percent (%) on-time for delivery with goal of 100%.

- Any deliveries arriving later than the date stated on the Purchase Order (5 Day grace for International Shipping) and any delivery quantities less than, the quantity stated on the Purchase Order.
- On Time Delivery includes Metrics on continuing to meet Inventory Consignment Agreements and any resulting Work Stoppage due to failure of OTD

20.3 Quality - Reported as ppm (parts per million) problem occurrences with goal of 0 ppm.

- Quality includes Metrics on End Customer Arrival Quality and Warranty Returns due to Supplier Latent Field Defects.

20.4 Warn Automotive Supplier Quality Defect Reporting System and requirements.

- Warn Automotive uses a Supplier Discrepant Material Report (SDMR) and Supplier Corrective Action report (SCAR) to communicate to the supplier what is considered to be nonconforming or late product. All related charges and expenses incurred due to supplied defective product shall be borne by the supplier including cost to Warn Automotive for sorting, reworking and dispositioning.
- Suppliers are required to respond to Notifications of Suspected Nonconforming Parts and/or Products within 48 hours.
- Suppliers are required to apply a systematic approach to corrective action and permanent issue resolution for discrepancies discovered within Supplier and Warn Automotive processes. A Systematic Approach includes but not limited to standard Root Cause Analysis Techniques of 5 Whys, Cause Effect, Is and Is Not, 8D, and/or A3.
- *Suppliers are required to update "living documents" such as Supplier Operator Work Instructions, Quality Plan, and/or Process Control Plan as closure to corrective/preventive action and provide copies to Warn Automotive along with latest control/detection/inspection data as evidences of implementation.*

20.5 Suppliers are responsible for all costs associated with Warn Automotive Production Shut Down/Interruptions as a result of On Time Delivery or Supplier Process Quality Escapes as well as costs associated with "Latent Defectives" both at Warn Automotive and Warn Automotive's End Customers.

- Supplier is required to react quickly to customer complaints including potential/real arrival quality and product reliability issues.
- Upon notification by Warn Automotive of a Customer Quality Issue, the Supplier is required to respond within 24 hours with the following:
  1. Immediately stop further shipments, begin the defect verification analysis and containment activities Provide Warn Automotive with exposure estimates for both in transit and at Supplier's site.
  2. If the defect is not verified, production may begin quickly but with additional and temporary quality controls/checks to ensure continued product acceptability.
  3. If defect is verified, The Supplier will inform Warn Automotive of the following:

- A. Exposure of manufacturing/quality process escape (quantity & date codes) within Three (3) working days
- B. Containment plan that includes a date for supplying acceptable product within Five (5) working days
- C. Root cause analysis within Ten (10) working days of defect verification.
- D. Corrective and Preventive Action within Twenty (20) working days of defect verification.
- E. Warn Automotive approval is required to restart Production shipments during this period.

## 21.0 Warn Automotive Supplier Rating System

21.1 The Warn Automotive Supplier Rating System that provides supplier feedback utilizing a composite measures which cover the core various aspects of supplier performance.

- The output from the Warn Automotive Supplier Rating System is reviewed periodic Business Reviews (Minimum annually but quarterly if deemed required).
- Supplier selected for periodic Business Reviews is done by the risk to the overall Warn Automotive Business Objectives and typically only to Top Suppliers as determined by Warn Automotive Purchasing.

21.2 It provides feedback to the supplier on delivery, quality, customer complaints, and status of cost reduction programs along with competitive performance ratings.

- The performance metrics also include
  1. Improvement is delivery and/or quality metrics
  2. Objective data for use is supplier management and sourcing decisions
  3. Recognition of exceptional supplier performance.

21.3 Supplier representatives at both the corporate and manufacturing level are required to the periodic Business Reviews.

- Efforts are made to alternate Business review locations between the Supplier and Warn Automotive sites.
- A Quality Improvement Plan will be developed by the supplier when required.