

# Supplier Responsibilities Manual



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## 1.0 Statement

In a dynamic global marketplace, Mantaline Corporation strives for continuous improvement in our quality systems, processes and product technologies. Recognizing that we are one team with suppliers, it is critically important to develop and foster strong business relationships to meet the expectations of our customers.

For over 50 years, Mantaline has been supplying engineered elastomer solutions to the transportation and industrial marketplace. By partnering with us, you are joining a tradition of product excellence and superior customer service that is helping companies around the world solve problems.

This Supplier Quality Assurance Manual is designed to help you understand and meet Mantaline Corporation's requirements and to continue as a partner in our supply chain. The Manual covers the procedures and systems required of a supplier. Questions about this Manual should be referred to your Mantaline representative.

We look forward to working with you and to helping your business grow.

David Little

Head of Global Purchasing

## 2.0 Scope

The IATF 16949:2016 standard and this manual define the fundamental quality system requirements for Mantaline Corporation. The requirements in this manual shall be included in the scope of the supplier's audit in order to be recognized as satisfying Mantaline's criteria for third-party certification by an IATF recognized certification body. The US English language version of this document shall be the official version for purposes of third party registration and binding effect under applicable law. Any translations of this document will be for reference only.

This manual is made available on our website ([www.mantaline.com](http://www.mantaline.com)). Printed copies are considered uncontrolled documents and may not reflect the most current version of the manual. Mantaline Corporation will communicate or make available to suppliers major revisions to this manual. Suppliers are expected to remain up to date on Mantaline's requirements by frequently visiting the website viewing this manual.

### 2.1 Normative Reference Documents

It is the supplier's responsibility to ensure that they, and their suppliers, adhere to the requirements in the following AIAG publications/manuals which are available through AIAG ([www.aiag.org](http://www.aiag.org)):

- IATF 16949: 2016 Quality Management Systems
- Production Part Approval Process (PPAP)
- Advanced Product Quality Planning and Control Plan (APQP)
- Potential Failure Modes and Effects Analysis (FMEA)
- Measurement Systems Analysis (MSA)
- Fundamental Statistical Process Control (SPC)
- Special Process Assessments (CQI)

## 3.0 Supplier Conduct

Mantaline Corporation conducts business within the framework of applicable country laws and regulations. We require our Suppliers to act in accordance with the highest ethical and legal standards. We envision a world made better by our actions and choose to work with suppliers who share and demonstrate the same strong values and commit to the ethical principles outlined in this Supplier Code of Conduct.

### 3.1 Environment

Mantaline Corporation believes that a sustainable future and the protection of our environment can only be achieved through the combined efforts of the industry, government and society at large. We are committed to environmental responsibility that leads to sustainability. To assure that our products and processes are environmentally sustainable, we expect suppliers to:

- Comply with all environmental laws and regulations exceeding those minimums whenever possible
- Utilize business processes that enable waste prevention and promote the efficient use of resources
- Ensure water discharges are minimized or eliminated and reduce water consumption
- Use recyclable materials and reuse materials as applicable
- Implement policies to reduce greenhouse gas emissions
- Obtain energy from renewable sources or lower impact resources wherever practical. The supplier shall inform Mantaline Corporation about potential energy saving opportunities.

Higher scores can be achieved on the Supplier Assessment for having ISO 50001 or ISO 14001

### 3.2 Basic Working Conditions

Mantaline Corporation expects suppliers and sub-suppliers to provide working conditions that comply with applicable country laws that support and uphold Mantaline Corporation's ethics and values.

- The use of child labor is prohibited; applicable laws and regulations regarding the minimum age for permission to work must be followed
- Suppliers are prohibited from using forced labor in any form and are further prohibited from abusive practices
- Suppliers must compensate their employees with wages and benefits that are in full compliance with applicable country laws regarding minimum wages, overtime hours, regulation of hours worked and legally mandated benefits

### 3.3 Health and Safety

Mantaline Corporation expects suppliers to operate in a reasonable manner to promote the health, safety and welfare of everyone on their property. Suppliers must ensure that policies and training which help individuals safeguard themselves and also protect surrounding property are in place to avoid accidents and prevent injuries. Our commitment to safe practices extends throughout our supply chain. All products and services provided by suppliers will be safe and reliable as well as in compliance with all applicable government statutes, regulations and standards relating to motor vehicle safety. OHSAS (Occupational Health and Safety Assessment Series) 18001 certification, Occupational Health and Safety System Standard, is encouraged but not required. However, a higher score on our Supplier Assessment will be obtained by having this certification.

### 3.4 Conflict Minerals

Mantaline Corporation requires suppliers to comply with all laws regarding the responsible procurement of conflict minerals and to perform their due diligence to understand the source of conflict minerals in any product supplied to Mantaline Corporation. Suppliers will supply all certifications and information relating to conflict minerals, and file all applicable reports, in such form and at such time as requested by Mantaline Corporation or our customer. Suppliers will also contractually require its supply chain to comply with these obligations.

#### 3.4.1 3TG – Tantalum, Tin, Tungsten and Gold

Mantaline Corporation is required to maintain 100% compliance with reporting requirements to our Customers. In order to achieve this, each supplier in the supply chain shall request information from all their direct suppliers, who in turn shall solicit information from the next Tier of suppliers. This cycle shall continue until the component is confirmed as not containing any conflict minerals.

Below is a list of resources in which information should be referenced and utilized to educate both your company and any sub-tier suppliers about these requirements.

- <http://www.aiag.org>
- <http://www.sec.gov>
- <http://conflictminerals.aiag.org>
- <http://www.responsiblemineralsinitiative.org>

A Mantaline Corporation Representative will email all suppliers detailing the required annual due date of August 31st for the submission of their CMRT. Suppliers will be reminded of this due date as it approaches. There will be an initial letter shared, detailing the requirements that Mantaline Corporation has on suppliers. A follow-up letter will be issued as a reminder, and where required, a final notification that the CMRT is due. Any supplier that does not submit their accurate CMRT by the required due date will be issued a corrective action report to track this lack of response. Mantaline Corporation utilizes an email distribution to ensure adequate communication of Conflict Minerals information

### 3.5 Managing Chemical Substances

Mantaline Corporation requires suppliers to take all appropriate measures to safely manufacture, process, transport, use and manage any chemical substances that have the potential to pollute the environment or cause bodily injury. Suppliers must provide all requested data concerning chemical substances, including all SDS (safety data sheets). Details of how to report are outlined in section 5.11 Reporting Expectations of Restricted Materials.

### 3.6 Protecting Confidential information

Suppliers will take appropriate measures to protect all confidential information of customers, suppliers, third parties and our employees. Suppliers will not disclose or use any such information unless authorized to do so. Suppliers must adhere to all applicable data privacy and consumer protection laws.

### 3.7 Managing Imports and Exports

Mantaline Corporation expects suppliers to adhere to all applicable international trade laws including, without limitation, import and export controls regulations and compliance with sanctions and anti-boycott laws. Specifically, among other applicable laws and regulations, we require suppliers to comply with International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR). Suppliers have a responsibility to ensure they comply with any similar laws and

regulations in any country where they do business. In the event that our supplier is required to import any products into the United States of America, all applicable recommendations or requirements of the Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) initiative will be followed.

### 3.8 Anti-Bribery

Mantaline Corporation expects suppliers to comply with all relevant anti-corruption, anti-kickback and anti-bribery laws and regulations. The use of corporate funds, property or other resources for any unlawful or improper purpose is prohibited. Anti-corruption laws require that companies meet prescribed accounting and internal control standards and impose severe penalties including, without limitation, criminal penalties, on both companies and individuals for certain types of payments and practices. Suppliers may not give, promise or authorize any payments, either directly or indirectly, to any private person (including, without limitation, any Mantaline Corporation employee), government official, candidate for political office, or their relatives, or any political party and its agents or affiliates, which are intended to obtain new business, retain existing business or obtain any improper advantage.

### 3.9 Fair Competition

Mantaline Corporation has a policy of absolute compliance with competition law. We consider compliance with competition law to be more than a legal requirement; it is core to Mantaline Corporation's value of integrity and responsibility. As such, we expect suppliers to comply with all competition laws. Suppliers should be aware that, although similar in their approach, there is no single global competition statute and suppliers need to comply with relevant competition laws.

### 3.10 Diversity

Mantaline Corporation recognizes and supports the value of fostering diversity through minority and women owned businesses. We encourage our suppliers to implement programs that will drive sourcing to diverse suppliers fostering the growth and prosperity of these companies.



## 4.0 Becoming a Supplier

### 4.1 Supplier Contacts

Mantaline Corporation requires suppliers to provide the contact names, phone numbers and email addresses for:

- CEO/President
- Plant Manager
- Quality Manager
- Sales Manager
- Logistics Manager
- EDI Contact

Suppliers shall update Mantaline when changes occur.

### 4.3 Minimum Requirements

Listed below are the minimum requirements to become a supplier to Mantaline Corporation:

- 1) Non-Disclosure Agreement
- 2) Acceptance to Mantaline General Terms and Conditions
- 3) Acceptance to this Supplier Requirements Manual
- 4) Valid quality certificate (see section 4.4 Quality Management System for details)
- 5) Approved Supplier Capability Assessment
- 6) Certificate of Liability Insurance
- 7) Financial Information
- 8) If applicable, minority or women owned certification

#### 4.3.1 Minimum Requirements Explained

##### Non-Disclosure Agreement (NDA)

*A legal contract between Mantaline Corporation and the supplier that outlines confidential material, knowledge, or information that can be shared between Mantaline and the supplier but restrict access to or by third parties. An NDA is a contract through which the parties agree not to disclose information covered by the agreement.*

##### Supplier Capability Assessment (SCA)

*Suppliers being considered for new business will have a Supplier Capability Assessment performed. The SCA is a cross-functional assessment that is conducted as part of Mantaline's supplier qualification process. Results of the SCA determine if the supplier meets fundamental requirements in key areas such as, but not limited to, financial viability, quality system, execution, process capability, program management, etc.*

##### Certificate of Liability Insurance

*A certificate of liability insurance serves as proof of insurance coverage.*

### 4.4 Quality Management System

Current and potential direct material suppliers to Mantaline Corporation shall develop, implement, and improve a quality management system certified to ISO 9001, unless otherwise authorized by Mantaline Corporation's end customer, with the ultimate objective of becoming certified to IATF 16949.

Unless otherwise specified by Mantaline, the following sequence should be applied to achieve this requirement:

- Certification to ISO 9001 through third-party audits (bearing the accreditation mark of a recognized IAF MLA member)

- Certification to ISO 9001 with compliance with other customer-defined QMS requirements (such as Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers [MAQMSR])
- Certification to IATF 16949 through third-party audits by IATF-recognized certification body
- Current and potential non-manufacturing suppliers such as calibration, sorting/rework, sequencing and warehousing service providers are required to become ISO 9001 certified. Laboratory suppliers that perform inspection, test, or calibration services must be ISO/IEC 17025 certified and include the mark of a national accreditation body.

Suppliers are required to immediately notify Mantaline Corporation of any change to the supplier's Quality certificate status.

Suppliers shall provide their valid quality management certificate. Supplier certificates should be in English or include an accurate English translation on the certificate. Suppliers are responsible for the information on their certificate and that this information matches the Purchase Order with Mantaline Corporation.

#### 4.5 Production Scheduling and Logistics

Mantaline Corporation will establish the shipping frequency for all production material. Suppliers shall ship to the exact quantities, dates, and times specified on the release. Shipments that are over, under, early or late and freedom of the week delivery will not be accepted. All Mantaline Corporation schedules shall be in standard pack quantities in the smallest approved standard pack container.

All shipments shall be made by normal mode at the prescribed ship window time with the Mantaline Corporation authorized carrier, unless otherwise specified by Mantaline Corporation. Excess transportation costs incurred as a result of using incorrect carriers will be charged back to the supplier.

Suppliers will use authorized carriers for all modes of transportation, including supplier fault premium transportation. For milk runs, Mantaline Corporation Plant Logistics will confirm a window pick-up time with the supplier, and the supplier shall ensure the shipment is ready at the scheduled time. The supplier will pay for supplier caused premium transportation.

If, for any reason, the supplier is unable to meet the schedules communicated, it is the responsibility of the supplier to notify Mantaline Corporation Plant Logistics personnel immediately and receive authorization for the under shipment. Suppliers will make up all under shipments via supplier paid premium transportation that is scheduled by the supplier to meet the originally scheduled destination window.

If Mantaline Corporation's and/or its customer's production is interrupted by the failure of the supplier to deliver contracted goods within the terms of the contract, all costs that are incurred by Mantaline Corporation and/or its customers will be the sole responsibility of the supplier.

#### 4.6 Packaging

- One part number per package (no mixing) unless otherwise approved.
- Packaging must conform to all government and transportation rules and regulations.
- The package must deliver the part in a production ready, damage-free condition.
- For specific packaging stipulated by Mantaline Corporation, it must be agreed between the Supplier and Mantaline Corporation.

## 4.7 Labeling

Suppliers are required to ship products with a Mantaline Corporation approved barcode label.

Labels must contain:

- Barcode
- Mantaline Corporation part number
- Quantity
- Supplier part number
- Lot traceability number
- Printed description
- Manufacturing date
- Purchase order number

## 4.8 Delivery

This section outlines the steps the Supplier shall take in delivering the packaged product.

- All deliveries must arrive on the date specified on the purchase order, unless otherwise agreed upon.
- Material certifications must be delivered with the shipment, and emailed to [Mantalinequality@mantaline.com](mailto:Mantalinequality@mantaline.com).
- All containers must be palletized so that the labels are visible.
- Designated and agreed upon carriers must be used.

## 4.9 Lot Traceability

This section outlines how the Supplier is to identify parts shipped for lot traceability by Mantaline Corporation. This is necessary in the event that should a problem occur at Mantaline Corporation or at their customer, the nonconforming parts may require containment.

Nonconforming product is defined as product that does not conform to Mantaline Corporation requirements or specifications.

- The Supplier shall develop a lot control process and include identifying information on each bin or container label or tag.
- The Supplier shall notify Mantaline Corporations Purchasing Department as what identifying information they should record as their lot control. This is to enable feedback to the Supplier in the event a problem occurs either at Mantaline Corporation or their customer.
- The lot information is to be given to the Supplier whenever a problem occurs so they can perform an analysis and countermeasure.
- The Supplier label will be used as an indicator to Mantaline Corporation that the parts are “OK” and can be used in production without requiring any additional inspections. This indicates that the Supplier has performed all testing/inspection and that the parts meet the quality standard.

Identification shall permit traceability back to the specific supplier raw material lot numbers, as well as the manufacturing, inspection and test records. The supplier shall also be able to trace where products were made under similar conditions (same raw material lot, same manufacturing line/batch, etc.). Sequence of batches must be identified on the packaging label by either a date code or batch/lot number. Safety related identification criteria shall conform to all government regulatory and Mantaline Corporation requirements including identification on the packaging label. No exceptions to these requirements shall be permitted unless acknowledged in writing by Mantaline Corporation.

#### 4.10 Customs Documentation

Suppliers need to provide all information necessary for Mantaline Corporation to comply with all applicable laws, regulations and related legal reporting obligations. Suppliers need to provide all documentation to allow Mantaline Corporation to meet customs-related obligations. The three required documents for customs clearance are:

- 1) **Commercial Invoice** - a record or evidence of the transaction between the exporter and the importer. The minimum data generally included are the following:
  - Name and address of the shipper and consignee
  - Date of issue
  - Invoice number
  - Description of the goods (name, quality, etc.) including Harmonized System (HS) code
  - Unit of measure
  - Quantity of goods
  - Unit value
  - Total item value
  - Total invoice value and currency of payment
  - The terms of payment (method and date of payment, discounts, etc.)
  - The terms of delivery according to the appropriate Incoterm
  - Country of Origin
- 2) **Freight documents-**
  - Bill of Lading (B/L)
  - Air Waybill (AWB)
- 3) **Packing list** - an inventory of the incoming cargo required for customs clearance. This list shall include the following:
  - Name and address of the shipper and consignee
  - Date of issue
  - Handling Unit (HU) Type (palet, drums, carte, carton, box, barrel, bag, etc.)
  - Number of Handling Units
  - Number of packages per Handling Unit
  - Number of parts per package
  - Part Number, Part Description, Net weight, gross weight

#### 4.11 Waste Haulers

Any organization involved with the removal of scrap product whether in the form of landfilled waste or recycled material, must certify the material will be rendered unusable. Certification can be in the form of a letter and take place at a minimum of every three years.

## 5.0 PPAP Process

### 5.1 General

Mantline Corporation requires that all Suppliers providing materials or components used directly in finished product meet the requirements of the AIAG Production Part Approval Process manual (preferred) and suppliers will ensure that their PPAP submission meets the requirements set out in the Mantline Corporation Supplier PPAP Checklist as outlined in this SQAM. All PPAP packages will require an approved Supplier Inspection Standard to be included. Mantline Corporation requires PPAP submission and approval prior to the first Mass Production shipment (unless otherwise notified) for the following:

- All new parts or products
- Correction of discrepancies on previously submitted products
- Product modified by engineering change to design, specification or materials

In addition, Mantline Corporation requires notification of a potential PPAP submission and Supplier requires approval prior to the first production shipment for:

- Use of optional constructions or materials not used in previously approved PPAP's
- Production from new or modified tools (see PPAP manual for further clarification)
- Production following refurbishment or rearrangement of existing tooling or equipment
- Production following any change in process or method of manufacture
- Production from tooling and equipment after a plant transfer
- Change of source for subcontracted parts, materials or services
- Tooling has been inactive for twelve months or more
- Following a request to suspend shipment due to quality concerns

### 5.2 Requirements

All PPAP packages shall include a Supplier PPAP checklist to be completed and delivered with the PPAP package. The Level of PPAP submission will dictate which required documents are included. Failure to submit the checklist, or any required documentation can lead to the PPAP being formally rejected.

*Level 3 Submission* is the default for all submissions to Mantline Corporation unless a written waiver is granted by the Quality Department. Dimensional evaluations should be performed on a minimum of three pieces unless requested otherwise. If multiple cavities are used a minimum of one piece must be provided from each cavity unless requested otherwise.

Dimensional results, material certifications and performance testing requirements are to be provided from sources utilizing calibrated equipment traceable to National standards (NIST) Process / product capability studies are to be conducted on those characteristics specified by Mantline Corporation and our customers.

#### 5.2.1 REPORTING EXPECTATIONS OF RESTRICTED MATERIALS

All suppliers to Mantline Corporation shall be compliant with the following regulatory standards, as applicable:

- Directive 2000/53/EC of the European Parliament and of the Council on End-of-Life Vehicles (ELV). Last version of Annex II of the EU ELV Directive 2000/53/EC
- Global Automotive Declarable Substance List (GADSL)
- ISO 3613 Chromate conversion coatings on zinc, cadmium, aluminum-zinc alloys and zinc aluminum alloys

- Registration, Evaluation, and Authorization of Chemicals - REACH Regulation EC No. 1907/2006
- Latest RoHS Directive (EU) 2015/863
- Suppliers are required to provide requested information regarding Conflict Minerals reporting.
- Supplier must declare Conflict Minerals status using the common Conflict Minerals Reporting Template (CMRT). The latest version of the CMRT available at:  
[www.conflictreesourcing.org/conflict-minerals-reporting-template/](http://www.conflictreesourcing.org/conflict-minerals-reporting-template/).

Only the current version of the CMRT will be accepted and must be completed in its entirety, listing all smelters within the supply chain.

### 5.2.2 IMDS

All Suppliers shall submit IMDS prior to acceptance of PPAP submission. This would include:

1. The complete chemical breakdown of each material (100% disclosure) must be provided; detailing the CAS number and percentage of each chemical.
2. The composition of the material must represent the composition of the material after processing.
3. If a miscellaneous, unspecified, or confidential chemical ingredients are used, the total percentage of such chemicals in the material must not be greater than 10% of the homogeneous material. In addition, the following statement must be included:

*"This material does not contain any GADSL substances, other than those specifically identified".*

### 5.3 PPAP Rejections

PPAP's will be rejected either formally or informally. Formal rejection will be given based on numerous or major AIAG PPAP non-conformances.

### 5.4 Process Change Request (PCR) Requirements

If at any point during a program a change point is required to a dimension, process, material, manufacturing location, packaging etc. the change will require supplier adherence to the Process Change Request (PCR) process.

The PCR process applies to both Supplier and Mantaline Corporation initiated changes to ensure that proper documentation and project timing is maintained. All PCRs will require at least a project schedule to be attached with the PCR form.

PCR material will be identified with the Breakpoint tag printed on blue paper. Where applicable, a hard copy of the measurement data should be included with the product and an electronic copy shall be provided to the appropriate parties at Mantaline Corporation

The PCR stages required will be determined by Mantaline Corporation representation at time of the PCR Plan acceptance. This determination will consider the impact of the change to product and process risk. Mantaline Corporation may elect to utilize only the 'A and 'C stages of the PCR requirement.

### 5.5 Special Processes

Suppliers to Mantaline Corporation shall ensure they audit and manage critical processes including sub-suppliers per AIAG Special Process Assessments:

- CQI-9 Heat Treat System Assessment
- CQI-11 Plating System Assessment
- CQI-12 Coating System Assessment
- CQI-15 Welding System Assessment
- CQI-17 Soldering System Assessment
- CQI-23 Molding System Assessment
- CQI-27 Casting System Assessment

Evidence of compliance is required for PPAP approval if any of the above processes are used.

#### 5.6 Annual Requalification (PPAP)

Suppliers shall submit requalification package annually for any production components. This requirement shall be noted in the Production Control Plan. At a minimum the package shall contain all items identified on the original PPAP Checklist submission. If a non-conformance is found during the material or conformance testing, the supplier must notify the Mantaline Corporation Purchasing department immediately so that appropriate action can be determined and implemented.

## 6.0 Production

### 6.1 Contingency Plans

The supplier shall prepare contingency plans to satisfy Mantaline Corporation requirements in the event of an emergency such as utility interruptions, labor shortages and key tooling / equipment failure. When the supplier knows in advance of an impending production interruption, the supplier shall notify all Mantaline Corporation receiving sites and the Mantaline Corporation Buyer immediately before the interruption. The nature of the problem shall be communicated with the immediate actions taken to assure supply of product. Production interruptions may include, but are not limited to, natural disasters, political unrest, war, labor strikes or other events that prevent the supplier from meeting the specified capacity volumes. The supplier is required to advise Mantaline Corporation of the plan for recovery and work toward minimizing its effect on the Mantaline Corporation plant. Upon request, the supplier shall provide their contingency plans to Mantaline Corporation. Mantaline Corporation reserves the right to have a presence at the supplier at any time Mantaline Corporation's supply chain could be compromised.

### 6.3 Facility Access

With advanced notice, suppliers shall allow Mantaline Corporation, Mantaline Corporation's customers or third party auditor's access to their facilities for the purpose of evaluating parts, processes, and documents.

### 6.4 Ongoing Manufacturing Process Audits

Suppliers to Mantaline Corporation shall have in place a process for auditing their Quality Management System (QMS) and Manufacturing Processes. Suppliers should utilize a cross functional layered audit approach, conducted by all layers of management for products and processes. The audit report shall document the supplier's findings and actions taken.

Based on risk analysis, product safety and compliance requirements, and supplier performance and certification level, additional audits may be scheduled. Mantaline Corporation expects our suppliers to monitor the performance of their manufacturing processes, utilizing tools and measures such as: OEE, management review and scrap/waste reduction activities.

### 6.5 Measurement System Analysis (MSA)

Suppliers to Mantaline Corporation are required to confirm the Reliability and Reproducibility of the measurement systems. A Gauge R & R study is required for each measurement and test system or device identified in the control plan. The following guidelines are to be followed;

- AIAG or VDA 5 format of MSA will be requested by Mantaline Corporation depending upon our customer specific requirements. The Mantaline Corporation Supplier APQP Team will identify the requirement at APQP kick off meeting.
- Gauge R&R acceptance requirement of less than 10% overall variation.
- Number of distinct categories must be greater than 4
- Gauge R&R's must be performed by trained production operators
- Parts selected for the study must dimensionally span the measurement range of the gauge. It is acceptable to "create" the parts out of tolerance.
- The Gauge R & R must be less than 1 year old.

If the results of the study do not meet the above requirements:

- An action plan to correct the non-conformance.
- Containment, such as 100% inspection, or an alternative means of measurement



## 6.6 Sub-Supplier Management

Mantaline Corporation suppliers are responsible for the control and continuous improvement efforts of its suppliers.

Mantaline Corporation suppliers shall require their suppliers of production goods and services to conform to the requirements specified herein, as well as applicable customer requirements, and must implement and document appropriate controls. Suppliers will be responsible to maintain and improve the quality of sub supplier parts even though it is Mantaline Corporation directed or customer directed source. Suppliers to Mantaline Corporation must select their suppliers based on Mantaline Corporation's expectation of zero defects and on their capability to continually maintain robust processes throughout the life of the product.

## 7.0 Non-Conforming Product

### 7.1 General

The Supplier is expected to establish and maintain procedures to control all nonconforming product. These procedures must provide the following:

- Proper Identification of all Non-conforming product
- Immediate Containment of all suspect product
- Prevention of further inadvertent processing
- Disposition authority and timely response
- Re-inspection of repaired or rework product
- Disclosure of potential outflow

If non-conforming product is discovered at Mantaline Corporation the supplier will be contacted by our Quality or Purchasing Department. Depending on the impact of the problem, Mantaline Corporation will direct appropriate containment activities, provisions for replacement stock and an investigation is to be initiated immediately.

The Supplier initial response actions must be completed within 24 hours of the problem notification. However, at times immediate support may be required if the failure mode has an immediate risk to Mantaline Corporation production capabilities. Non-conforming product is the supplier's responsibility to correct in a timely manner so Mantaline Corporation's production is not adversely affected and we do not impact our Customer.

### 7.2 Onsite Sorting

Mantaline Corporation Supplier Quality representatives will determine whether sorting activities are required. This sorting requirement could be required at the supplier location, within Mantaline Corporation, at Mantaline Corporation customer locations, or in some cases all three.

### 7.3 Cost of Poor Quality (COPQ)

The supplier is responsible for the costs associated from sorting efforts. In addition, the supplier is responsible for making the sorting arrangements with the outside sorting company. In the event that Mantaline Corporation does not receive adequate response from the supplier, Mantaline Corporation representative shall initiate the sorting efforts on the supplier's behalf. If this requires Mantaline Corporation to arrange an inspection PO, all associated costs will be recuperated via the COPQ form.

### 7.4 Return of Material Authorization (RMA)

The supplier is required to provide an RMA # within 48 hours of notification acknowledging product costs and rejection. Payment is expected within 30 days from receipt of RMA. Due to space restraints within the facility, a quick turnaround of nonconforming product is essential. For this reason. If an RMA is not received within 48 hours of request, parts will be scrapped and the supplier charged.

## 8.0 Supplier Performance

### 8.1 Supplier Monitoring

Suppliers are issued, upon request, a Supplier Scorecard detailing their performance with YTD information included.

Overall Supplier performance is measured based on:

- **QMS Level**
- **% of Category Spend**
- **Severity of Potential Failure**
- **Probability of Potential Failure**
- **Point of Detection**
- **OTIF Delivery Level**
- **Relationship**
- **Safety, Health and Environmental Level**
- **Quality**

Action items required are based on the score achieved and by following the chart below. If improvements are not made, further corrective action is required, or re-sourcing of materials may occur.

A Problem Follow-Up Sheet (PFS) will be used to track and record improvement initiatives. It is the responsibility of the Supplier to populate and maintain this PFS as per the scoring criteria. The PFS shall be shared with Mantaline Corporation representatives during conference calls, onsite visits, or via written request to ensure adequate actions are being taken to resolve concerns. It is expected that this document will remain current capturing all reportable occurrences.

Mantaine Corporation will monitor performance indicators regarding disruptions in the customer plant where their products are used. On-time delivery and supplementary shipments may be needed to avoid disruption of the customer's manufacturing processes.

Mantaine Corporation monitors annual supplier performance regarding customer disruptions, on-time delivery, and supplementary shipments. If applicable, dealer returns, warranty, field actions, and returns caused by suppliers are also monitored.

If Mantaine Corporation receives a special status due to the non-conforming product or delivery from one of its customers, this will be recorded in the supplier's annual evaluation.

### 8.2 Supplier Ranking

Supplier Performance Ratings are e-mailed or faxed to the supplier upon request. All supplier questions or challenges of the rating should be sent to Purchasing for review within five business days.

Suppliers are required to maintain a minimum score of 81 points each. If a supplier's score is below 85 a formal supplier corrective action is required to address their unacceptable overall performance level. If a supplier's performance remains below 81 for consecutive months, the Quality Manager may conduct a meeting with supplier's top management and with Mantaine Corporation

management to address unresolved issues. At the discretion of Mantaline Corporation top management, the supplier's status may be changed to "New Business Hold" on the Approved Supplier List.

Suppliers on New Business Hold status are not permitted to quote any new business. If the supplier's performance rating remains below 81 while on New Business Hold status, Mantaline Corporation management may begin supplier de-sourcing actions.

Suppliers can be returned to "Approved" status on the ASL when their monthly performance rating improves to 85 or greater and formal corrective actions have been implemented to improve their supplier performance. It is at the discretion of Mantaline Corporation top management how soon the supplier's status is changed once the conditions are met.

Rank	Description	%
1	Exceptional	>95%
2	Good	91%-95%
3	Acceptable	86%-90%
4	Acceptable with further testing	81%-85%
5	Unacceptable	Less than 81%