



Supplier Requirements Manual

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12-18-2017

Rockford Spring Company Supplier Requirements Manual

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1.0 Introduction

1.1 Scope

The details stipulated in this manual are the minimum mandatory requirements for production goods and service suppliers to Rockford Spring Company (hereafter referred to as RSC). Expectations are that the suppliers to Rockford Spring Corporation will meet the expectations of this manual in its entirety.

1.2 Purpose

To communicate RSC's requirements and expectations in a consistent manner to suppliers of raw material, components and services which are used for production of parts to meet our customer's expectations.

RSC requires that its suppliers:

- a) Implement appropriate systems and controls to ensure the 100% on-time delivery of conforming, defect free products to RSC.
- b) Manage facilities, processes, quality systems and personnel to consistently and cost effectively produce products and furnish services that meet and / or exceed RSC and its customer's requirements.
- c) Develop and implement a documented Quality System in order to assure that all RSC's requirements are met. Emphasis should be placed on a process-based and risk-based quality system that is driven from leadership of the company.
- d) Provide objective evidence that all supplier products and services satisfy RSC purchase order requirements process capabilities for special characteristics and for those characteristics that are agreed with RSC, as applicable. In addition, when applicable, the supplier must place an emphasis on safety critical characteristics as identified either through the drawing or through RSC communication.
- e) Utilize appropriate statistical techniques for on-going process control and improvement (as established in the AIAG Fundamental Statistical Process Control reference manual, or as agreed upon with RSC).
- f) Continuously improve their processes by reducing variation in the process and reducing waste.
- g) Conduct its operation to assure that all material and product provided to RSC meets or exceeds all applicable environmental laws and regulations. Suppliers are encouraged to obtain ISO 14001 compliance or certification.
- h) Comply with all applicable government statutes and regulations.
- i) Are able to provide necessary capacity to produce the forecasted volumes according to the request for quote.

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- j) Communicate changes to RSC

- 1.3** The requirements in this document are based upon the ISO 9001/IATF 16949 Quality System Requirements. These requirements are an integral and legally binding aspect of the RSC Purchase Order. Although this does not alter or reduce any other requirements of the contract, it is intended to provide a concise understanding of our quality expectations.

A controlled copy of the RSC Supplier Requirement Manual is posted on the RSC website and is the responsibility of the supplier to check for the latest version. This can be located at:
www.rockfordspring.com

2.0 Quality System Requirements

2.1 General Quality System Requirements

Present and potential suppliers to RSC must operate within a comprehensive Quality System. Suppliers shall provide to RSC written confirmation and objective evidence of third party certification to the current version of ISO 9001 and/or IATF 16949. Suppliers are also encouraged to be compliant or certified to ISO 14001, ISO 45001 standards, and any other applicable industry standard. Certified suppliers must maintain their quality system by submitting their initial and renewal Quality system certifications to RSC Quality Department. RSC suppliers are required to maintain certification with their third party registrar.

Suppliers who are not ISO 9001 or IATF 16949 compliant must submit a Self Survey Report Form to RSC for review. Upon approval of the completed Self Survey Report, these respective suppliers are qualified to be included on RSC's approved supplier list. RSC may determine that additional controls are needed on products submitted or services provide, this will be communicated as a requirement in any submissions and/or PPAP.

RSC may communicate other requirements as our needs and /or the need of our customer's change. It is the responsibility of RSC suppliers; both present and future, to obtain and maintain the current version of all ISO, IATF, and AIAG related documents (see element 4.1 of this document for ordering information). Suppliers are encouraged to review the "Readiness Checklist for SubTier Supplier Management Process" referred to as CQI-19 from AIAG. It is not a mandatory requirement to submit this checklist to RSC, however, this document will provide an example of our expectations.

2.2 Advanced Product Quality Planning (APQP)

When specified by RSC, suppliers are required to generate an Advanced Product Quality Plan in accordance with the AIAG APQP reference manual. Expectations are that product is evaluated and a control plan (quality plan) developed for both prototype and production product. This plan shall include, but is not limited to:

- a) Notification of risks that affect product integrity or the project plan. Guidelines are provided in the AIAG Failure Mode and Effects Analysis (FMEA).
- b) Implementation of error-proofing to achieve Zero Defects to RSC
- c) Identification of needed product or process specifications.

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2.3 Special Characteristics

Special Characteristics are any product or process characteristics that affect safety or compliance with regulations, fit, function, performance or subsequent processing of product.

In accordance with the requirements of IATF 16949, or when required by RSC, Special Characteristics shall be identified and specifically addressed in the PFMEA, Control Plan, Process Flows, Work Instructions and other associated documents. Submission of special characteristics must be identified in product quality submission production part approval systems to RSC.

Suppliers are encouraged to pursue ISO 9001, if this quality system is not in place, as well as pursuing IATF/TS 16949.

2.4 Process Capability and Control

Suppliers are required to meet the process capability requirements as defined in the AIAG PPAP and SPC reference manuals, unless otherwise specified by RSC. The supplier is responsible to ensure process capability and control requirements are documented in their control plan and that capability indices are achieved and improved throughout production.

Evidence for process capabilities requirements shall be provided with PPAP, as applicable, or when required by RSC.

Standard Requirements:

Preliminary process capability of 1.67 PpK or CpK or as defined by RSC Quality Department
Long-term process capability of 1.33 PpK or CpK or as defined by RSC Quality Department

If process capability is not achieved, a corrective action plan must be provided to RSC, along with a containment plan (e.g. 100% inspection) by supplier personnel.

2.5 Maintenance Supplier Control

All RSC suppliers are responsible for control and continuous improvement efforts.

The supplier shall strive to establish preventive/predictive maintenance procedures on manufacturing equipment and tooling. Evidence of procedure execution shall be made available upon request.

Preventive/predictive maintenance schedules and tool history records shall be documented and available for review.

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2.6 Manufacturing Process Review

A systematic review of a supplier's manufacturing process may be conducted at the supplier's facility at the request of RSC, or RSC's customers. This process may include capacity capability study and evaluation. A formal manufacturing feasibility study may be required and should be available for review by RSC if necessary.

2.7 Production Part Approval Process (PPAP)

When required by RSC, or unless specified otherwise, production sample submissions shall be in accordance with the AIAG PPAP manual requirements. Level 3 PPAP is the default submission level unless otherwise agreed upon with the RSC Quality Department. For products other than raw material, or unless otherwise agreed upon, a minimum of a 3 piece dimensional layout is required.

A PPAP received with non-conforming dimensional results, without accompanying approved deviation will be rejected. Rejected PPAPs require an action plan to resolve the matter.

PPAP product shall be clearly labeled as such and addressed to the RSC Quality Department.

Full or interim approved PPAP is required prior to RSC shipping parts to their customers. Any shipments received by RSC prior to obtaining this approval may be rejected. Any exceptions must be documented and approved by RSC.

2.8 Changes to Approved Product and Processes

Suppliers are not to make any unauthorized changes to a product or service or the process used to produce a product or service that has been previously approved by RSC. This includes changes to the Process Control Plan.

RSC shall be notified of intention to change a product, service, or process prior to making any changes. Written authorization to proceed with the change must come from RSC.

Any change made without prior written approval by RSC may be a breach of RSC's purchase order terms and conditions. Suppliers who do not adhere to this requirement may be held responsible for all damages, losses and liabilities attributable to any unapproved changes (e.g. customer rejections, customer line stoppage penalty fees, and/or warranty costs. In addition the supplier may be placed on Business Hold until the systemic issue is addressed.

2.9 Annual PPAP Re-qualification

When required by RSC or RSC's customers, unless waived in writing by RSC, the supplier shall inspect and test annually each active product supplied to assure conformance to all RSC specified requirements (e.g. dimensional, material and performance). If applicable, these inspection requirements shall be included in the supplier's production control plan. Annual validation documentation shall be on file at the supplier and available to RSC upon request. If a non-conformance is found during the annual validation, the supplier must submit a corrective action plan to RSC's Quality Department.

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2.10 Restricted, Toxic, and Hazardous Substances (IMDS)

RSC requires its suppliers comply with all local, state and federal laws and regulations with regard to all environmental protection, electricity, safety in the country of manufacture and in the country where the product is being distributed.

RSC requires that all suppliers be compliant with the conflict mineral sourcing restrictions issued by the SEC under the Dodd-Frank Section 1502 legislation. When requested by RSC, suppliers are required to report on their conflict mineral status to RSC with completed EICC GeSI Conflict Mineral Reporting Template or through a written statement stating current conflict mineral reporting status. Further action may be required if supplier is not compliant with regulations.

International Material Data System (IMDS)/End-of-Life Vehicle (ELV)

The environmental compatibility of our products is one of the primary concerns of our company. Environmental compatibility, recycling compatibility as well as waste disposal must be taken into consideration.

It is our goal in close cooperation with our suppliers to prevent environmental risks right from the start and to find solutions together that exceed the requirements of existing statutory regulations.

The End-of-Life Vehicle (ELV) Directive, 2000/53/EC, was enacted by the European Commission “to minimize the impact of end-of-life vehicles on the environment.” The use of lead, mercury, cadmium, and hexavalent chromium are prohibited in vehicles and their components, except for certain exemptions published in Annex II of the Directive. This is a mandated requirement for European Union (EU) Member States and also required by North American, and some Japanese, vehicle manufacturers.

To meet the reporting requirements of the directive, vehicle manufacturers need suppliers to report information on materials within their respective components.

2.11 Verification Reviews of Purchased Product

The supplier shall allow RSC personnel to verify, at the suppliers premises that the product conforms to specified requirements. The Supplier shall give access to all areas that are relevant for RSC product.

2.12 Product Identification and Packaging

Identification shall permit traceability back to the supplier raw materials lot numbers, as well as the manufacturing, inspection and test records. Packaging identification and traceability is established by RSC.

Suppliers shall ensure their products are transported in a manner that prevents damage or deterioration to the product. Suppliers shall maintain documentation detailing proper packaging, cleanliness level, and storage and shipping instructions of its products

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2.13 Delivery and Performance Requirements

The supplier is expected to provide 100% conformance to the delivery and quality requirements as specified by RSC. All costs incurred by RSC as a result of a delivery or quality nonconformance caused by a supplier may be charged back to the supplier.

2.14 Contingency Plans

Suppliers are required to prepare contingency plans (e.g. utility interruptions, labor shortages, logistics disruptions, key equipment failure, etc.) to protect RSC's supply of product in the event of an emergency. The Risk Analysis systems are a requirement for ISO 9001. RSC may request information pertaining to risk for the organization. Risk information should be available.

2.15 Continuous Improvement

The supplier shall strive to continually improve quality, delivery, cost and other services provided. To aid in fulfillment of this expectation the supplier's organization shall establish, monitor, prioritize, and act upon key performance objectives and targets. The objectives and targets should be established based upon (at a minimum) business plans, management systems, product quality, process capability, and customer satisfaction goals.

Supplier Leadership must demonstrate an overall accountability for the effectiveness of the quality management system as required by ISO 9001.

RSC reserves the right to visit any supplier site to assess its continuous improvement programs and practices. In addition, RSC may deploy personnel to focus on a specific improvement issue.

The supplier should be pursuing improvement within the organization. Specific manufacturing process improvements through the reduction or variation and waste will naturally drive down costs for manufacturing.

RSC may evaluate a run at rate in the manufacturing area to determine compliance as well as the actions taken to improve the product or service.

2.16 Supplier Corrective and Preventive Action

Suppliers shall have trained personnel with the ability to quickly and permanently resolve product and process issues using data driven problem solving tools and techniques. Problem resolution must be conducted using a defined structured process that includes verification of the root cause and validation of corrective action effectiveness and future recurrences. Use of Rockford Spring company's suppliers defective material report or other approved reporting processes are acceptable in a response for a supplier related issue or nonconformance.

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Timeline for providing non-conformance reporting to RSC (if not otherwise agreed upon):

24 – 48 hours	Request for containment Submit feedback on immediate actions and containment.
15 days	(or sooner if requested by RSC) after notification to submit root cause analysis
30 days	(or sooner if requested by RSC) after notification to submit the final corrective action.

Root cause analysis and actions must cover occurrence and non-detection reason for nonconformance. The FMEA and Control Plans will be updated as required by the AIAG manual and corrective actions will be implemented on similar parts/processes as applicable. Consideration should be given to error-proofing methods to prevent issues rather than detection methods to identify issues after they have been created.

After having verified the effectiveness of implemented corrective actions, future shipments designated as a TS/IATF item must be clearly labeled.

2.17 Record Retention

Suppliers are required to maintain production part approval process (PPAP) packages, annual layout and validation records, traceability records, engineering records, purchase orders and any amendments for the life that the part is active for production plus seven calendar years unless the requirement is different from RSC customers in which case, this will be communicated to the supplier.

All retention times shall meet or exceed the above requirements and any governmental requirements.

3.0 Supplier Cost Recovery and Debits

3.1 An appropriate charge may be imposed by RSC for the followings circumstances:

- a. Nonconformance Report (e.g. Quality Notification or Nonconforming Service).
- b. Nonconforming Product Deviation Requests.
- c. PPAP submission rejections, delays, or shipments of unapproved products.
- d. Delivery Performance Failures (in addition to any specific costs incurred by RSC associated with the failure).

3.2 Administrative Handling Fees, Sorting Costs at RSC and / or the Customer Location, Travel Fees, or other applicable fees may be issued as a result of Defective Supplied Product. Suppliers may be contacted to arrange sorting at their own expense.

Non-response may result in a sort process being initiated by RSC and charged back to the Supplier at a minimum rate of \$20.00 per man-hour.

3.3 Costs associated with shipping, handling, reworking, inspecting, and replacing defective material including the costs of value-added operations prior to its discovery may be charged to, and paid by the Supplier.

All Freight / Expediting Costs for Replacement Material may also be charged to the Supplier.

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4.0 Reference Documents

4.1 The following list of documents/specifications include the quality tools and characteristics that may be applicable to Suppliers of RSC, unless noted or superseded by information contained in the RSC Supplier Requirement Manual and / or the RSC Purchase Order. Reference the latest revisions of the following documents:

- ADVANCED PRODUCT QUALITY PLANNING (APQP)
- MEASUREMENT SYSTEM ANALYSIS (MSA)
- FAILURE MODE EFFECT ANALYSIS (FMEA)
- STATISTICAL PROCESS CONTROL (SPC)
- PRODUCTION PART APPROVAL PROCESS (PPAP)
- CQI – 9 (As Applicable)
- CQI – 11 (As Applicable)
- CQI – 12 (As Applicable)
- CQI – 19 (As Applicable)
- ISO – 14001 (As Applicable)

NOTE: All documents listed above may be acquired by contacting the Automotive Industry Action Group (AIAG), at website address: www.aiag.org

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Revision Control

REVISION LEVEL	REVISION / ADDITION	DATE

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Supplier Acknowledgement Confirmation:

We hereby confirm that we have received and we understand the Supplier Requirement Manual.

We agree to strive to meet these requirements, in all our facilities working with RSC.

Should any individual supplier agreement or purchase order exist or be signed in the future, they take precedence over the general targets in the supplier manual.

We understand that it is our responsibility to ensure that only the latest revision of this Supplier Requirement Manual is use by periodically checking RSC's website or by contacting RSC for revisions and updates.

We understand that it is our responsibility to deploy this Manual in the current and future facilities working with RSC products.

Supplier Name	
Supplier Address	
Submitted by (names)	
Function	
Telephone number	
Email address	
Date, Signature	