SUPPLIER QUALITY MANUAL

V2—22-2022

TABLE OF CONTENTS

Introduction

ConMet is part of the Amsted family of companies. We have 49 facilities spanning 11 countries and 6 continents, in total more than 18,000 Amsted employees are united in their passion for leadership and excellence.

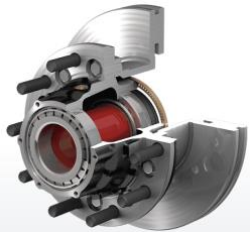
About ConMet

ConMet is known worldwide for developing lightweight, durable, reliable parts that enhance vehicle performance, improve fuel efficiency, and increase payload capacity for the heavy-duty truck and trailer industry. Our unique benefit profile of lowering operating costs, reducing vehicle downtime, and heightening productivity has made ConMet a favorite of OEM's and fleets.

ConMet is headquartered in Vancouver, WA and has eleven manufacturing facilities throughout the United States, China, and Mexico. ConMet manufactures components using Permanent Mold and Low-Pressure Aluminum Casting, Die Casting, and Structural Plastic Injection Molding. Some of the products in the ConMet line include hub assemblies, brake drums, die cast aluminum components and injection molded plastic components.

Plastics

Castings



Wheel Ends

At ConMet, we believe that continually improving our products and processes is a key to survival and success. Reducing variation and optimizing parameters results in long-term gains for our Suppliers, our customers and ConMet. Since the products supplied to us play a vital role in the ultimate quality of our products, we have established criteria to help ensure conformance to specifications, adequate manufacturing process control, and continual improvement of those processes.

1. About this Manual

This manual has been developed to communicate the operating principles, general expectations, requirements, and procedures of ConMet.

Acceptance of any and/or all purchase orders constitutes acceptance and commitment on behalf of the recipient to comply with this manual's content. This manual is provided as a supplement to, and does not replace or alter, any purchase agreement/ general purchase conditions

This manual describes the minimum requirements and expectations for which the supplier has responsibility. Further requirements may be applicable depending on ConMet end customer requirements.

We expect that ConMet suppliers support our commitments as described by ConMet's Quality Policy.

QUALITY POLICY

Consolidated Metco will provide cost-effective and reliable products and services at a level of quality that meets or exceeds our customer's expectation. Our goal-driven teams strive for continuous improvement in quality, service, technology, and product safety.

2. Expectations

To fulfill our Quality objective, it is necessary that all functions within ConMet and our tier suppliers operate with a "Zero Defect" strategy. We must all strive for a fundamental quality management system that provides for continuous improvement in the quality of products. Emphasis should be on defect prevention and the reduction of variation and waste in the supply chain.

It is expected that the entire supplier organization will give their full support to the relationship that exists between our companies and demonstrate flexibility in assisting ConMet in meeting all our customer's requirements.

The supplier must, at all levels of the organization understand and meet the needs, expectations, and requirements of ConMet customers. This includes but is not limited to a complete review of design records, OEM Supplier Manuals, and related documents.

A member of the supplier's management must be assigned to notify ConMet of any changes to their management structure and operational viability in a timely basis. This notification must be in writing to the ConMet sourcing manager.

The Supplier is required to keep the supplier profile updated in the ConMet Supplier portal.
https://conmet.empowerqlm.com

Social Responsibility

ConMet selects business partners who comply with all local and internationally acceptable fair and safe labor practices. ConMet will cease all business activities with suppliers failing to comply with local and internationally acceptable fair and safe labor practices.

Continual Cost Improvement

The suppliers are expected to review their products and processes on an on-going basis for cost savings opportunities. The suppliers are expected to pass on cost savings every year to ConMet. Note: any changes to the products and process need to have written approval from ConMet prior to implementation. Reference section 11: Change Management for more detail.

Risk Management

Suppliers must have a documented comprehensive risk management program in place that is evaluated on yearly basis, or as necessary to protect the supplier, ConMet and our customers. Elements of the program must be managed in a proactive manner and evaluated and approved at the executive level of the supplier. The supplier must ensure that this requirement is passed down throughout the supply chain.

ConMet reserves the right to verify the products and manufacturing processes at the supplier's premises and throughout their supply chain. This can be done using different classifications of audits. This requirement is not limited to the supplier selection process and may be implemented at any time during ConMet's relationship with the supplier.

Supplier must notify ConMet Corporate Sourcing Manager of labor contract expiration dates six months prior to the expiration. Supplier must have a documented risk mitigation plan in the event of labor disruption/ logistic disruptions.

Maintaining Organizational Knowledge (7.1.6)

The suppliers are required to always keep and maintain a competent workforce and at all levels of the organization. The supplier shall maintain a knowledge base contingency plan that will ensure the knowledge base is maintained if key associates leave the company or demands warrant increased supplier capabilities. The contingency plan must be reviewed on a regular basis as part of the management review process or as conditions warrant. The knowledge base must include, but are not limited to:

Advance Product Quality Planning and Control Plan (APQP)	Quality management
Potential Failure Mode and Effects Analysis (FMEA)	Materials management
Production Part Approval Process (PPAP)	Corrective Actions
Measurement Systems Analysis (MSA)	Internal Audits
Statistical Process Control (SPC)	Finance
Engineering management capable of effectively meeting the demands of ConMet and our customers	Logistics
Information Technology (IT)	Human Resources

If ConMet determines through objective evidence that the supplier is lacking in these or other core areas, ConMet may require the supplier to acquire the necessary training/capabilities to meet the demands of ConMet and or our customers.

Counterfeit Management

Counterfeiting is growing in alarming proportions with respect to the types of products being counterfeited, industries affected, and potential ramifications caused by counterfeits. ConMet understands the ever-growing concern to the increasing volume of fraudulent/counterfeit parts entering the supply chain, posing significant performance, reliability, and safety risks. ConMet requires our supply base to review their quality management systems to ensure it adequately addresses counterfeit items that have the potential to seriously

compromise the safety and operational capability of our products. Suppliers should establish and maintain a Counterfeit Prevention program. Strategies utilized to eliminate counterfeit shall include:

Avoidance

Suppliers shall only purchase parts/materials from authorized/approved sources. This requires exclusive utilization of OEMs or their authorized distributors as applicable. Suppliers shall institute a plan for a Chain of Custody – PO's should be tied to an unbroken chain of custody from the original source of manufacture for all components provided to ConMet.

Detection and Disposition

Suppliers shall notify ConMet Corporate Sourcing or Supplier Quality of the pertinent facts of a nonconformance. Suspect counterfeit work shall be treated as Nonconforming Items and not allowed to be shipped to ConMet or our customers.

Mitigation

Suppliers shall insure traceability to the original component manufacturer (OCM). If circumstances exist that the use of a supplier's material/parts is not part of the authorized supply chain, approval from ConMet is required. Suppliers need to ensure processes are in place to quarantine parts that require testing and verification until they are verified as authentic.

Communication

Suppliers shall communicate and report issues.

- Suppliers shall provide prompt notification if it is suspected that Counterfeit items are within products delivered to ConMet.
- Suppliers shall report any counterfeit issues in a timely and effective manner to ConMet Corporate Sourcing or Supplier Quality.
- Suppliers shall flow-down equivalent counterfeit strategies/provisions to sub-tier supplier and contractors.

ConMet considers counterfeit materials as a serious threat and can compromise the integrity of the products we provide to our customers. The use of Original Component or Equipment manufacturers and their authorized sources results in the least risk for counterfeit items into our products.

Disaster Recovery and Business Continuity Plan

The supplier shall:

- prepare contingency plans for continuity of supply in the event of any of the following: fluctuation in business (up or down), *cyberattacks,* key equipment failures, interruption from externally provided products, processes, and services; natural disasters; fire; utility interruptions; labor shortages; or infrastructure disruptions.
- include, as a supplement to the contingency plans, a notification process to the customer and other interested parties for the extent and duration of any situation impacting customer operations.
- Periodically test the contingency plans for effectiveness (e.g., simulations, as appropriate), maintain records of the test for a minimum of five years.
- conduct contingency plan reviews (at a minimum annually) using a multidisciplinary team including top management, and update as required, and maintain records of the reviews for a minimum of five years.
- Document the contingency plans and retain documented information describing any revision(s), including the person(s) who authorized the change(s).

The contingency plans shall include provisions to validate that the manufactured product continues to meet ConMet and/or our customer specifications after the re-start of production following an emergency in which production was stopped and the regular shutdown processes were not followed.

Any change to the supplier's business that can affect their ability to supply product to meet ConMet requirements must be communicated to the ConMet Sourcing Manager in a timely basis.

3. Supplier Qualification and Maintenance Requirements

Supplier Qualification Process

ConMet's supply base shall consist of organizations supportive of our business needs. Disciplined methods are utilized through which suppliers are evaluated, selected, developed, and monitored.

New direct material suppliers are required to complete 101-1044-F006 Potential Supplier Questionnaire, submit their top 5 customer performance reports and be evaluated based upon the potential risk assessment performed by ConMet.

Supplier must have a documented risk mitigation plan in the event of labor disruption/ logistic disruptions.

Quality System Certification Requirements

The goal of a quality system certification is to develop basic quality systems that promote continuous improvement, place the spotlight on preventing faults and reduce variations and waste in the delivery chain. Our direct material suppliers shall demonstrate conformity to ISO 9001 by maintaining a third-party certification issued by a certification body bearing the accreditation mark of a recognized IAF MLA member, (International Accreditation Forum "IAF" Multilateral Recognition Arrangements "MLA") and where the accreditation body's main scope includes management system certification to ISO/IEC 17021. Suppliers are strongly encouraged to implement an IATF 16949 Automotive Quality Management System.

Non-certified suppliers directed by our customers can be exempted from certification requirements by our customer.

Environmental Management System Requirements

Suppliers are expected to adopt a responsible environmental management system which satisfies all applicable legal requirements. When required by ConMet or our customers, suppliers must be certified to ISO-14001 Environmental Management standard

Upon request, ConMet shall be provided a copy of the certification body audit report and or a copy of the corrective actions approved by the certification body.

The suppliers are responsible for updating the ConMet Supplier portal with their new quality certification within 2 weeks of receipt. Failure to send the updated certification will cause the supplier to be placed on "blocked" status, stopping ConMet from placing orders with the supplier. Failure to submit updated certification prior the expiration date will subject the supplier to a maintenance fee.

Note: Loss of certification for any reason requires immediate notification to the ConMet Corporate Supplier Quality Manager and Sourcing Manager.

Special Processes

The goal of these assessments is to provide an environment of continual improvement, defect prevention and reduction of variation and waste in the supply chain. Where applicable to their business, suppliers shall maintain the latest revisions of the standards shown below. Applicable assessments must be conducted annually at a minimum and the results made available to ConMet through the ConMet portal:

- CQI-9 Special Process: Heat Treat System Assessment
- CQI-11 Special Process: Plating System Assessment

- CQI-12 Special Process: Coating System Assessment
- CQI-15 Special Process: Welding System Assessment
- CQI-17 Soldering System Assessment
- CQI-23 Molding System Assessment
- CQI-27 Casting System Assessment

ConMet reserves the right to complete its own on-site CQI assessments at the supplier or sub-tier locations. All areas of concern must be corrected prior to submittal or have a detailed plan to bring the assessment into compliance to requirements within a reasonable timeframe.

Results of the assessments must become part of the supplier's management review process.

Suppliers, who outsource this process shall ensure that their suppliers complete and submit their own CQI audit results on an annual basis. The audit results and necessary corrective actions are to be maintained as records in the supplier's management system and sent to the ConMet Supplier Quality group upon completion.

Failure to update the CQI records within 14 days after the due date may result in a $300 fee being issued to the supplier.

Supplier Product Safety Management

A Safety Critical parts (SCP) are parts, and or assembly whose failure could cause loss of life, permanent disability, or major injury. SCPs are defined by the government, ConMet and or our customers in the design records, standards, Supplier Quality manuals and related documents.

Potential suppliers of safety critical products must pass a product safety audit with a score of >/=80%. Ref: 101-1044-F052 Product Supplier Product Safety Management System Audit

The supplier must use a cross-functional team for SCPs to review, and process RFQ with products that are classified as SCP. The team must all be trained to 101-1000-G003_Safety Critical Parts Training.

The supplier and tier-supplier must review and understand ConMet procedure 101-1044-P036 Supplier Product Safety Management Procedure, our customers, and governmental requirements. This review and understanding must occur at the executive level management of the supplier and be passed down to all associates involved in the production of the SCP.

The supplier and their tier suppliers must have a safety policy defined and included in their Quality Management System included in their internal audit program, subject to external audit by the company's Certification Body. The procedure must define how the SCP's will be evaluated, controlled, and documented in compliance with stated requirements. KPI data must be available upon request.

Any assistance provided by ConMet does not in any way limit the supplier's responsibility to supply parts that conform to all design records, manuals, or related documents, as well as regulatory, contractual, and legal demands.

All shipments of products classified as Safety Critical shall clearly be identified with a RED sticker with the letter's SCP in bold black lettering. The stickers will be securely attached to all four sides of the container.

An advance shipping notification will be sent to the quality manager at the ConMet receiving plant via email. This notification will include detail shipment information, ConMet part number and an estimated time of arrival.

All requirements for SCPs of ConMet, the OEM or the government must be passed down throughout the supplier tier supplier base.

Special Product Group

Suppliers of "critical" components that would cause the most damage to ConMet or our customer brands, if they failed, are classified as Special Product Group (SPG) suppliers. These suppliers are subject to these additional requirements:

- Special Product Group suppliers are expected to achieve an "A" green or "B" yellow classification utilizing VDA 6.3, before award of business.
- Special Product Group Suppliers are expected to achieve an "A" green or "robust B" yellow classification (85% or higher) utilizing VDA 6.3, before serial production. For grades below A rating, supplier must provide an improvement action plan to ConMet.
- During serial production, an assessment comparable to VDA 6.3 P5–P7, will be used to assess the quality capability of Special Product Group Suppliers. Apart from the basic requirements of the Quality Management System, assessment also considers the special product-related requirements of ConMet purchased parts, the supplier's production process, and any special technical inspection requirements. Suppliers must achieve an "A" classification. For a classification less than "A", supplier must provide an improvement action plan to ConMet.
- Special Product Group Suppliers are required to conduct annual VDA 6.3 self-assessments and submit the results to ConMet. Submissions must be uploaded into the ConMet supplier portal by June of each calendar year. Exceptions to be approved by the ConMet Supplier Quality Director.
- Special Product Group suppliers are required to submit critical product and process characteristics, SPC data, and other quality data requested by ConMet or our customers.
- Special Product Group Suppliers are required to submit annual PPAPs into the ConMet supplier portal unless directed by the ConMet Supplier Quality representative.
- These Special Product Group requirements shall apply to, and flow down to the entire supply chain, including sub-tier suppliers.

4. Terms and Conditions and *Quoting Process*

Terms and Conditions

Prior to accepting business with ConMet, the supplier must acknowledge and accept the Amsted industries incorporated purchase order – terms and conditions. This document can be located in the ConMet Portal

To abide with fair and ethical practices, ConMet considers discussions between suppliers and prospective suppliers as private matters between two parties. ConMet keeps these discussions confidential and expects our suppliers and potential suppliers to abide by the same principle. This requirement must be passed down throughout their supply chain.

Interactions involving our customers and suppliers should only take place with ConMet authorized representation and only as it relates to ConMet business matters.

Use of “ConMet, Consolidated Metco” or the “Amsted” names or any parts of the Amsted organization is strictly forbidden in advertising, brochures, or presentations without written authorization of Amsted’s legal department.

Quoting Process

When receiving a request for quotation from ConMet, the supplier is responsible for reviewing all elements of the quote, including design records, technical specifications, delivery schedules, all applicable ConMet and or our customer specifications *and Customer Specific requirements*, and any other requirements associated with the quote request. The RFQ review process must be documented in the supplier’s quality management system.

Do not process an RFQ for parts classified as safety critical in the design records if your company’s management and *interested parties have not been trained and passed 101-1000-G003_Safety Critical Parts Training.*

The supplier shall submit a signed 101-1044-F057 Team Feasibility Commitment Form with the return of the quote to ConMet sourcing

Prior to the acceptance of a contract the supplier must provide a capacity assessment to confirm that the supplier has the necessary capacity to produce the quoted ConMet demand.

Review of Design Records

Suppliers must use the exact technical standards that are noted in the design records. It will not be acceptable to use similar technical standards, without the written approval of ConMet engineering.

The supplier will be responsible for reviewing all documentation provided. It is the responsibility of the supplier to notify ConMet if they have not received any specifications noted in the design records. It is the responsibility of the supplier to notify ConMet if any technical standards (OEM, ASTM, SAE, etc,) are unattainable for any reason and provide corresponding alternate standard to ConMet for approval. The reviews shall be conducted by a cross-functional team with qualified associates who are capable of understanding and communicating the requirements in terms the intended audience can understand.

Review of Customer Specific Requirements (CSR)

Customer specific requirements (CSRs) as defined by IATF 16949 is “interpretations of or supplemental requirements linked to a specific clause(s) of this Automotive QMS standards “. When elements of this manual have an IATF clause noted this will be considered customer specific requirement and must be addressed in compliance with IATF 16949.

Review of Statutory and Regulatory Requirements

The supplier shall document their process to ensure that purchased products, processes, and services conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and the customer-identified country of destination.

The supplier shall note these requirements in applicable APQP, FMEA and Control plans. Records of compliance and effective traceability shall be maintained.

The Supplier is responsible for complying with and satisfying all Federal, state, local and international requirements on all materials used in product manufacture. Where applicable, the supplier will furnish one copy of the MSDS (Material Safety Data Sheet) for hazardous materials directly to ConMet.

5. ConMet Requirements

Conflict Minerals

Suppliers must communicate in writing and on a yearly basis to ConMet if their product intentionally contain Tin, Tantalum, Tungsten and Gold pursuant to conflict mineral federal law under the jurisdiction of the Securities and Exchange Act and is in accordance with 17 CFR.

Suppliers, update agreements and create annual certifications into the ConMet Supplier Portal certification section. A reporting company that determines that its products do contain necessary conflict minerals should map its supply chain, reach out to the relevant suppliers of those minerals (or the components that contain those minerals) and communicate the cooperation that will be required for the company to comply with the 17CFR rules. The team should review the relevant supply agreements and, if possible, amend them to include language outlining the supplier's obligations (e.g., annual certifications, prior notice of sourcing from a Covered Country, etc.).

Flow-down clauses that require tier-suppliers to comply with the rules may be prudent, depending on the nature of the reporting company's business. The team should also prepare a form of annual certification that it expects to receive from its suppliers of conflict minerals regarding the origin of those minerals. The SEC indicated that reporting companies may reasonably rely on such certifications in the absence of warning signs, and they will be useful in conducting the reasonable country of origin inquiry (RCOI) and, if necessary, further due diligence.

Like many other indirect manufacturers subject to the SEC rule, ConMet has decided to use the Electronic Industry Citizenship Coalition - Global e Sustainability Initiative ("EICC - GeSI") Reporting Template to manage the communication of Conflict Minerals information across our supply chain. This is a shared industry tool and a free resource specifically designed to facilitate the collection of sourcing information related to Conflict Minerals. You can download a copy of the reporting template here: http://www.conflictfreesmelter.org/ConflictMineralsReportingTemplateDashboard.ht

IMDS/ End of life vehicle (ELV)/MSDS

ConMet participates in the International Material Data System (IMDS). Accordingly, suppliers should be prepared to create MDS sheets within IMDS for their materials and components for PPAPs. IMDS must be submitted and approved prior to PPAP submittal.

The ConMet IMDS number is 104320. Note: when submitting the IMDS the supplier must use the ConMet part number.

For products used in the European markets, the use of lead, mercury, cadmium, and hexavalent chromium are prohibited for use in products supplied to ConMet, except for certain exemptions published in The End-of-Life Vehicle Directive, 2000/53/EC, Annex II. When requested, the suppliers must complete and submit a Declaration of Compliance (ELV).

Suppliers are required to stay current with any changes to the ELV Directive and make necessary changes as warranted.

A material safety data sheet (MSDS) in accordance with Globally Harmonized System (GHS) guideline must be sent and approved by the receiving ConMet plant before delivery of any chemicals used in production processes is allowed. The GHS is an international approach to hazardous communication, providing agreed criteria for classification of chemical hazards, and a standardized approach to label elements and safety data sheets.

For more information go to https://www.osha.gov/dsg/hazcom/ghsguideoct05.pdf

Customs Compliance

Suppliers who import/export to any ConMet Facility and have “cross-border shipments” must comply with the ConMet Supplier Customs Compliance Standard https://conmet.com/info-for-suppliers/

The suppliers that export product to ConMet or our customers are expected to have necessary experts employed or contracted to ensure compliance with all laws and processes associated with importing and/or exporting of products. The supplier must document this process, and ensure its effectiveness and timely implementation

Packaging and Labeling

Suppliers are responsible for packaging the material in a manner that protects the product during storage and transportation. Suppliers must follow the requirements defined in 101-9999-P010 North American Packaging Standard and any customer specific requirements as noted in applicable design records.

Suppliers must follow the labeling requirements defined in 101-9999-P010 North American Packaging Standard, ConMet customer requirements and other labels communicated by ConMet to the supplier (PPAP, Clean points, Deviation, etc.)

The supplier shall establish and maintain documented procedures for the control, verification, storage and maintenance of ConMet or our customer owned returnable packaging.

Traceability

All suppliers shall have an effective lot definition and traceability procedure based on risk analysis and compliance to government, ConMet and our customer specific requirements or specifications related to the product they are supplying. Suppliers shall ensure that their lot traceability system maintains its integrity through their entire supply chain, including not only raw material, but also purchased components/products and subcontracted operations if any.

The marking solution used on the part should support product investigation during the part’s life (in principle, suppliers should indicate the lot number on actual parts).

Delivered product should be traceable back to:

- the finished part
- the subcomponents/blanks
- the raw material
- the history of the processes applied to the part
- Rework operation
- Product and process special characteristics, test records as defined in the control plan
- Influential process parameters
- Suppliers in the supply chain

Records

ConMet requires a retention of seven years after End of Production and/or Service Life of product if Government regulations and/or Safety Critical Parts are involved, regardless of part usage life.

Production part approvals, tooling records, APQP records, purchase orders and amendments shall be retained for the time that the part (or family of parts) is in production and service active, plus one calendar year, unless otherwise specified by ConMet.

Quality performance records (e.g., inspection and test results) shall be maintained for the life of the part plus three calendar years after the year they were created, unless otherwise specified.

Employee training and certification records shall be maintained for the term of employment, unless the records cover Government regulations and/or Safety Critical Parts, which require records be maintained for seven years after End of Production and/or Service Life of product.

These requirements do not supersede any regulatory requirements. All specified retention periods must be considered minimum requirements.

Record keeping requirements must be passed down throughout the supply chain.

6. Advance Product Quality Planning (APQP)

Project management

Each Supplier shall define an associate as a point of contact who shall be responsible for the organization and communication of ConMet project goals and objectives within their organization. Project management shall utilize the principles outlined in the latest AIAG Advance Product Quality Process (APQP) manual. *Note: for safety critical products the supplier's executive management must be involved in all aspects of the APQP process.*

All suppliers are required to manage all projects (new or changed parts) according to the ConMet defined time schedule, and report on the activities as requested. Any change in the time schedule needs to be approved by ConMet.

Suppliers are fully responsible for the quality of their products including their suppliers. All suppliers are responsible for providing products that meet all ConMet and our customer requirements, specifications, and drawings as identified on the purchase order, and that are free from defects.

The Supplier shall establish, implement, and maintain documented procedures, which shall detect and/or preclude the use of counterfeit/used parts.

Design FMEA (DFMEA)

Design-responsible suppliers must create and maintain the DFMEA as a living document throughout the product lifecycle. The DFMEA must be in accordance with the AIAG *& VDA FMEA Handbook*. DFMEA inputs must include warranty issues, customer concerns, lessons learned, and address past Global 7D concerns. A single DFMEA may be acceptable for a family of parts when approved by the ConMet Supplier Quality Representative. Design-responsible suppliers must develop and submit a Design FMEA with the supplier PPAP when requested.

Design Validation Planning and Reporting - DVP&R

When required the supplier must develop and implement a product test plan. Inputs for the test plan should include DFMEA, engineering specifications, and other ConMet or supplier engineering requirements. The proposed DVP&R plan must be reviewed and approved by ConMet engineering prior to the start of testing, and results must be reported to ConMet engineering when tests are complete.

Process Failure Mode and Effects Analysis (PFMEA)

A PFMEA is a living document which describes the risks to the production process and/or parts produced, and identifies actions taken to mitigate the risks, such as process controls. In preparation and maintenance of, refer to the AIAG *& VDA FMEA Handbook* for guidance.

PFMEA inputs must include warranty issues, customer concerns and lessons learned, and address past concerns/ corrective actions. It should flow from the DFMEA, if available, for the part or part family. The PFMEA must be reviewed with ConMet to ensure completeness and currency. A single PFMEA may be acceptable for a family of parts when approved by the ConMet Supplier Quality Representative.

Pass - through Characteristics (PTC/WD)

Pass - through Characteristics are part characteristics which are not controlled, or functionally tested anywhere downstream in the supply chain, are ultimately supplied to a ConMet customer (e.g. it will "pass through"), and would have a significant impact on customer satisfaction and/or warranty. A PTC may or may not be a Special Characteristic.

ConMet's defines the pass - through characteristics using the definitions below. Note: Characteristics must have a PFMEA Severity greater than 4 to be considered.

- Pass-through Characteristics (complete pass through) = PFMEA Detection of 10. A characteristic that will not be detected at any point prior to being delivered to ConMet's plant.
- Weak Detection (WD) (may pass through) = PFMEA Detection of 6-9. A characteristic that does not have robust detection and might not be detected at any point prior to being delivered to ConMet's plant.
- Potential PTC – A characteristic which has no detection within the manufacturing supplier (PFMEA Detection of 10) and has not yet been reviewed to see if it passes through subsequent tiers of the supply chain.
- Potential WD – a characteristic which does not have robust detection within the manufacturing supplier (PFMEA Detection of 6-9) and has not yet been reviewed to see if it passes through subsequent tiers of the supply chain.

The supplier, working with their ConMet Supplier Quality representative, must ensure controls are in place for the PTC/WD. The supplier and ConMet must reach an agreement on the proper method of control for the identified PTC.

PTC symbol "P" must be noted on PFMEA and Control Plan, and the characteristics must be controlled with mistake proofing or other suitable means of protecting ConMet and our customers.

When required by the ConMet customers, ConMet suppliers with PTC or WD's must complete the "Tier II Pass-Through Assessment Matrix" found in the ConMet APQP/PPAP workbook when ratings noted above dictate.

Statutory and Regulatory Compliance in APQP Process

Statutory and regulatory requirements are to be identified and addressed during the APQP process to ensure compliance to stated requirements. These requirements must be communicated throughout the product realization processes including sub-tier suppliers.

Special Characteristics

The appropriate symbol (CC, SC, <>, etc.) must be included on all related documents (including control plans, FMEAs, work instructions, process control documents) for the operations which produce special characteristics.

Suppliers must ensure their associates understand the significance of special characteristics, and their necessary impact on manufacturing processes and support functions. ConMet expects that associates working with operations affecting special characteristics understand what the special characteristic(s) in their operation means, the part function, and the impact of failure to ConMet or our customers.

If ConMet has not defined special characteristics for supplier part(s), it is the supplier's responsibility to identify any critical/significant characteristics needed because of the supplier's DFMEA and PFMEA activity.

The supplier must maintain capability data for all customer or supplier-designated special characteristics and make capability information available upon request.

The purpose of MSA is to assure that a selected measurement system delivers reliable results with repeatability and reproducibility. During the PPAP all measurement systems identified in the control plan must be evaluated in accordance with the AIAG Measurement System Analysis (MSA) manual. These requirements extend to outsourced processes and external labs.

Suppliers are expected to use pre-launch control plans to increase the level of quality controls applied during ramp up and early production stages of new part launches. A prelaunch control plan is defined by increased frequency and levels of inspection, and increased controls during the early stages of production. The purpose is to protect the ConMet and our customers from problems until process controls can be refined and start-up problems can be identified and resolved. The level of controls within the control plan should be adjusted once the production process has been stabilized and process control can be assured.

Control Plans

Control plans identify important part and process characteristics defined during APQP activity. The control plan must reflect ongoing changes to the PFMEA, such as those resulting from corrective action and process.

Changes require PPAP re-submission before product is shipped from the revised process. The control plan and PFMEA are living documents, always reflecting current controls and measurement systems in use. They must be updated as control methods and measurement systems are changed and improved and be audited periodically as part of the supplier's internal audit process to assure continued effectiveness.

Unless otherwise exempted by the ConMet Supplier Quality Representative, suppliers are expected to use the control plan format referenced in the AIAG APQP manual.

7. Production Part Approval Process (PPAP)

ConMet requires suppliers and their tier suppliers to follow AIAG PPAP requirements when submitting PPAP's to ConMet. The default level 3 PPAP with all requested documentation and samples shall be submitted on or before the agreed PPAP due date. A dimensional study shall be submitted as part of the Initial Sample Inspection Report (ISIR).

The ISIR report must include a dimensional study of a minimum of five pieces and ensure all cavities are reported, unless directed otherwise by ConMet supplier quality. Note for clarification, if the required PPAP level is not a level 3, the supplier still must complete all applicable elements of the PPAP, but only have to submit the requested documents.

Suppliers must manage and submit the defined level PPAP documents in the ConMet Supplier Portal on or before the due date. The supplier must use the ConMet specific PSW and packaging worksheet, and when required the PTC/WD worksheet.

The supplier shall certify and warrant the Country of Origin in accordance with U.S. Federal Regulations not limited to 19 CFR Part 134, Country of Origin Marking. Ref: https://www.govinfo.gov/app/details/CFR-2012-title19-vol1/CFR-2012-title19-vol1-part134. Certification will be noted on the ConMet PSW.

This documentation shall show that all requirements specified in our drawings and specifications are fulfilled.

Internal Laboratory Certification

Where applicable, all internal laboratories must have a documented scope that includes its capability to perform the required inspection, test, or calibration services. This laboratory scope shall be included in the quality management system documentation. The laboratory shall specify and implement, as a minimum, requirements for:

- Adequacy of the laboratory procedures
- Competency of laboratory personnel
- Testing procedures of products

The laboratory shall have the capability to perform these services correctly, traceable to the relevant process standard (such as ASTM, EN, etc.); when no national or international standard(s) is available, the organization shall define and implement a methodology to verify measurement system capability.

The laboratory must understand and comply with any customer specific laboratory requirements.

All tests conducted to support new or revised PPAP's must be conducted by a laboratory certified to ISO 17025

The suppliers are responsible for updating the ConMet Supplier portal with their new laboratory certification within 2 weeks of receipt.

External Laboratory Certification

All external laboratories shall be accredited to ISO/IEC 17025 or national equivalent *(e.g.,CNAS-CL01 in China)* by an accreditation body (Signatory) of the ILAC MRA (International Laboratory Accreditation Forum Mutual Recognition Arrangement) and include the relevant inspection, test, or calibration service in the scope of the accreditation (certificate); the certificate of calibration or test report shall include the mark of a national accreditation body or show documented evidence that the external laboratory is acceptable to the customer.

Where required by our customers, all suppliers shall use directed laboratories for required testing.

Significant Production Run (SPR)

A Significant Production Run is required for all new part introductions and is the basis for the Production Part Approval Process. This sample run is to be conducted using production tooling/equipment, environment (including production operators), facility, and cycle time.

The SPR requires that an adequate quantity of parts be produced to allow:

- Overall process stabilization
- Accurate calculation of manufacturing cycle time
- Determination of production through-put time
- Capacity assessments
- Completion of capability studies

The number of parts produced during the SPR should be determined by the type of equipment, tooling and production processes required by the type of part. Suppliers should ensure enough parts are produced during the SPR to ensure that the process is fully tested. Samples used for the PPAP must be taken from the parts produced during the run. The part weight, in kilograms to four decimal places, shall be determined at this time and included on the PSW. The single part weight is determined by taking the average weight of five parts produced during the significant Production Run.

Designated critical characteristics

Designated critical characteristics shall be subject to continuous ongoing Statistical Process Control in accordance with the latest addition of the AIAG SPC Manual. The supplier must employ competent associates knowledgeable in measurement systems analysis and statistical methodologies.

Products are taken from pre-production at the manufacturing location(s) and analyzed statistically. Parts from each unique production process, e.g., duplicate assembly line and/or work cell, each position of a multiple cavity die, mold or pattern, shall be measured and representative parts tested.

Capacity Review/ Run @ Rate

Capacity Analysis help ConMet to understand its suppliers' processes and secure capacity. It identifies bottleneck processes at supplier operations that could impact ConMet's supply and allows them to be addressed so that customer demands can be met. Capacity Assessments can apply to all direct material suppliers to all ConMet locations.

The supplier must:

- Perform a capacity self-assessment when requested to do so by ConMet
- Provide ConMet with reliable data to enable a capacity check
- Define and complete an action plan to close any performance gaps identified by the capacity assessment.
- The supplier is to manage its tooling, equipment, and facilities such that:
  - Average production weekly capacity requirements are to be met by operating the tooling, equipment and facilities based on a 5-day work week.
  - The remaining time during the week is reserved for completing the required tooling, equipment, and facility maintenance.

- If the supplier is unable to meet these requirements, the Supplier must contact ConMet Sourcing Manager or Buyer and communicate the improvement plan to meet the capacity requirements.
- Any exceptions to these requirements must be requested by the Supplier and approved in writing by ConMet Sourcing manager.

ConMet is entitled to perform a Capacity Audit on a supplier's and their tier supplier's premises to determine whether the supplier has installed sufficient capacity to meet ConMet's demand. The supplier must provide all necessary data for capacity calculations.

When required, ConMet may require the supplier to implement a safe launch plan per 101-1044-P017 Supplier Safe Launch Plan procedure.

Safe Launch

A Safe Launch Plan (SLP) shall be used as requested for all pre-production and production requirements that require TQP approval. The purpose of a SLP is to verify product & process stability in an organized manner. Collected data shall be monitored and analyzed, and adjustments made to product and/or processes when necessary.

As directed by ConMet the supplier shall establish a safe launch control plan based off the following elements:

- The Control Plan shall be created and submitted to ConMet for review.
- The Control Plan must validate the assumptions for control frequencies used in the Production Control Plan, capture potential non-conformances due to unforeseen or overlooked potential failure modes, and increase reactions to non-conformances.
- A reaction plan shall be devised in case of non-conformances discovered, with immediate notification and implementation of containment and corrective actions at site of discovery.
- Documented evidence of execution and validation of the control plan using an agreed format.
- The duration of the SLP is to the discretion of ConMet, however by default the minimum periods for programs are as follows:
  - 100,000 pieces produced annually - 90 days from SOP
  - 1,000 to 100,000 pieces produced annually - 90 to 180 days from SOP.
  - < 1,000 pieces produced annually; first batch.
- The supplier is required to indicate compliance with the Safe Launch requirements by attaching the SLP Shipping Label to each part/ container.
- Eligibility to exit Safe Launch can only be obtained with written acknowledgement from ConMet demonstrating the following criteria have been met:
- Parts/material were shipped meeting the success criteria defined in the SLP

Approval of software

The ConMet Software Quality Approval Process demonstrates that software developed for ConMet meets the technical requirements, reliability, usability, efficiency, maintainability, and portability of the product. The software covered by these requirements includes software embedded into component hardware parts, stand-alone software incorporated into hardware component(s) but having specific software revision identifier, and software as a standalone product. Supporting evidence in this section is required to verify that all the software requirements, low-level implementation, and product features and functions have been properly implemented and validated.

Full System verification and validation testing is required for all new software delivered to ConMet and is the basis for the Software Approval Process. Suppliers are required to submit Software Quality Approval Process collateral unless arrangements have been previously agreed between ConMet and the supplier. Suppliers will need to request a deviation to any of the below documentation exceptions.

The Software Quality Approval Renderings include:

- Product requirements
- Requirement's traceability matrix
- Software Verification Test Plan
- Software Verification and Validation Test Reports
- Software Release and Release Notes

Annual PPAP Revalidation

If specified in the purchase orders, *or in design records, OEM manuals,* a complete annual layout inspection, including all sub-components, is required for all parts. All suppliers impacted by this requirement shall annually revalidate their respective production components and be able to provide the results to ConMet as defined in the PO request.

Suppliers shall document this requirement in the Production Control Plan for all parts with annual revaluation classification. At a minimum, documentation shall include a PSW and valid material certification report(s) not more than 12 months old, a full dimensional report (each cavity, minimum of 5 pieces, unless directed otherwise by ConMet supplier quality), and a capability study for all print designated special characteristics.

The supplier is required to manage the annual revalidation in a documented process to ensure submittal occurs on or before the required dates noted in the PO. The supplier will submit all documents necessary for the Annual Revalidation to ConMet Corporate Supplier Quality Manager or Sourcing Manager.

8. Equipment and Tooling Maintenance

Equipment Maintenance

Production equipment must be maintained in a way that minimizes unplanned downtime, process variation, and potential quality and or delivery disruption of parts to ConMet or our customers manufacturing locations.

The supplier's maintenance system must ensure that:

- Trained/ qualified personnel are available to perform maintenance per defined requirements,
- Equipment manufacturers' recommendations are considered when developing maintenance tasks and schedules,
- Prolonged downtime is planned to ensure supply of product to ConMet or our customers
- Spare parts are stored in a manner that protects the integrity of the spare parts,
- Spare parts are readily available for critical manufacturing equipment such that there is no disruption to meeting scheduled delivery of parts to ConMet our customers,
- Predictive maintenance methods are utilized.

Tooling quotation must include expense breakdown, including fixtures, dies, gauging and other costs as well as tooling design (i.e., number of cavities, material, etc.).

Tool/fixtures Management

Tooling quotation must include tool life expectancies, expense breakdown, including fixtures, dies, gauging and other costs as well as tooling design (i.e., number of cavities, material, etc.).

Tool/ cavity replacement must be clearly defined on the quotation. This should be provided as a per-part cost or as a cavity replacement cost.

The quotation must specify lead-time breakdowns including design, build, testing and PPAP submission & approval.

The Supplier is responsible for maintaining and repairing all supplier caused damages at no cost to ConMet or our customers.

Any maintenance of tooling/fixtures that alters/affects form, fit, function or appearance requires submittal and approval by ConMet prior to any alterations to the tooling.

The Supplier will keep detailed maintenance records for the tooling/ fixtures. The Supplier will make these records available to ConMet on request.

The Supplier will monitor the tool/fixture life and performance to ensure that repair, replacement, and maintenance, whether or not the responsibility of the Supplier, are identified and corrected prior to the time that part quality or production capacity are affected. This will include regular dimensional reviews on specific part characteristics. Supplier agrees to make this data available to ConMet on request.

The Supplier will on a regular basis monitor tool/ fixture life and notify the ConMet Supplier Representative well in advance when tooling replacement is necessary.

The Supplier will ensure that enough components will be in Supplier's inventory and available to support ConMet production prior to and during the time that the tooling/ fixture is being refurbished or replaced.

When tooling is designed by the Supplier, ConMet must be provided with electronic and hard copies of the design and all related drawings and specifications. Supplier, upon request from ConMet, will provide reproducible tooling prints for any existing tools.

Supplier shall pass these requirements throughout their supply chain.

9. Control of externally provided processes, products, and services

Suppliers shall have a defined on-boarding process of their suppliers, including a cross-functional supplier approval process that is documented in the supplier's Quality Management System. This process must include a cross-functional and effective risk assessment of any new supplier. All suppliers involved with safety critical products must pass the ConMet safety audit.

The supplier must have ongoing risk assessment of key suppliers and address negative trends and conditions as needed to ensure supply of product to ConMet and/or our customers. *Supplier must ensure that key suppliers manage risks associated with cyberattacks.*

Supplier must conduct regular Quality Management System audits of their key suppliers at defined frequency to improve and develop their suppliers and to meet the Quality objectives of the complete supply chain.

The Supplier will ensure their supply chain has prepared contingency plans to satisfy ConMet requirements in the event of an emergency such as, but not limited to, utility interruptions, labor shortages, key equipment failure and field returns.

Tier one suppliers must effectively communicate all requirements noted in this manual to their tier suppliers and have systems set up to ensure that all their tier suppliers always maintain compliance to the requirements.

10. Change Management

Changes to established/PPAP approved product, process, or site at the supplier location or that of their tier supplier(s) will require advance notification to ConMet. This notification shall be a minimum of 12 weeks unless unforeseen circumstances drive the need for an emergency approval of the change. Reference section 3 of the AIAG PPAP manual for more detail on when notification is required. Suppliers must complete and submit a Supplier Product/ Process Change Request 101-1044-F018 (SPPCR) to the appropriate ConMet sourcing manager or buyer.

The Supplier must:

- Submit Supplier Product/ Process Change Request 101-1044-F018
- Obtain written approval to proceed with the change via the approved SPPCR
- Follow directions provided by ConMet
- Track the expiration date and applicable quantity of product
- Identify and ship product within the scope of the approved request
- Obtain authorization for additional shipments beyond the agreed limit.

Suppliers must never ship deviated product/ process before obtaining written ConMet approval. ConMet may approve, reject or apply conditions of approval to the change request (e.g.: level 3 PPAP required after change is implemented).

In cases where a Supplier has implemented an unauthorized change and ConMet and/or our customers have been negatively impacted, the supplier will be responsible for compensating ConMet for all associated costs and must submit a corrective action for violating the Supplier Product Process Change Request process.

ConMet will not give approval to a deviation related to safety and or regulatory requirements.

11. Supplier Rejection Process

ConMet will notify the supplier of a nonconformance through the ConMet Supplier Portal. The supplier is responsible to:

- Immediately notify necessary parties both internal and external (tier-suppliers, etc)
- Assemble cross-functional team to address the failure of the product/ process
- Assign a member of the team to update the ConMet supplier portal

Any failure of parts classified as safety critical must be brought to the attention of the executive level at the suppliers. All corrective actions associated with these failures must be approved by the executive level in the timeframe noted by ConMet.

An initial response defining containment measures is required within one working day after nonconformance discovery by ConMet suppliers and or our customers. The Supplier must contain all materials at ConMet, off-site warehouses, and any material in transit. Supplier will be responsible for financial cost associated with our customer's facilities containment activities. Upon request, the Supplier shall provide immediate containment at the ConMet facilities to ensure no stoppage of production. The Supplier is responsible to provide a detailed report of containment and disposition activity upon request. The Supplier must provide Returned Goods Authorization (RGA) when requested.

Containment Level 1 (CS1)

A ConMet requires that a supplier put in place a redundant inspection process at the supplying location to sort for the specified nonconformance to protect ConMet and or our customer from the receipt of nonconforming parts/material. The redundant inspection is executed by the supplier's employees and must be in addition to the normal production process controls. Exit from level 1 requires ConMet written approval. All product and/or containers are to be identified as CS1.

If the Containment Level 1 criteria are not executed properly and the ConMet Facility continues to receive nonconforming material, the Supplier will be placed on Containment Level 2.

Containment Level 2 (CS2)

A ConMet requirement that includes the same processes as Containment Level 1, with an added inspection process by a third party representing ConMet's interests specific to the containment activity. The third party is selected by the supplier, approved by ConMet, and paid for by the Supplier. Exit from level 2 requires ConMet written approval. All product and or containers are to be identified as CS2.

If the supplier requests the parts to be returned, they must arrange and pay for transportation to their location.

Warranty:

Suppliers are required to support the analysis on part returns from ConMet and or ConMet customers. The expectation is that issues are immediately addressed with the appropriate containment, root cause, and corrective action in the timeframe specified. Any charges assessed against ConMet by their customers due to supplier issues

will be communicated and passed on to the supplier for reimbursement. The supplier will be responsible for all freight costs that are related to the field failure.

Other Failures

Other non-product failures may result in a corrective action being assigned to the supplier. These may include, but are not limited to, failure to submit yearly NAFTA certs, PPAP's, CQI, or annual testing on time.

Corrective Action

Corrective actions shall be processed through the ConMet Supplier Portal. Unless otherwise directed in writing by ConMet corrective actions shall be submitted as follows:

D1-3: within **24 hours** Provide RGA # and disposition of the suspect product to ConMet. Beginning containment activity to include sorting internally at the supplier's location, in-transit, at ConMet's location and our customer locations. Containment should be data-driven based on inventory quantities at the various locations and in transit. Results of containment activities shall be made available upon request by ConMet.

D4-D5: within **7 days** after notification of the SCR (or as dictated by ConMet or our customers), root cause analysis completed for both occurrence & non-detection, permanent corrective action defined.

D6-D7: within **30 Days** (or as dictated by ConMet or our customers) implement and validate permanent corrective actions. Effectiveness of permanent corrective action verified, and recurrence prevented.

ConMet reserves the right to assess a maintenance fee for late corrective actions.

Closure: the plant Quality Manager or designee will review the submittal and determine if the corrective action is effective in addressing the nonconformance.

Challenge: the supplier has the right to challenge the validity of the SRR by completing 101-1044-F026 SCR Review Request Form and submitting the request to the ConMet plant quality manager. The plant Quality Manager or corporate supplier quality will review and respond to the supplier's request in a timely manner.

Supplier Rejection: Financial Responsibilities

Suppliers are responsible for the quality, on-time delivery, and reliability of the product they supply. Product must meet the drawings, specifications and/or customer-specific requirements of ConMet and/or our customers.

The Supplier accepts financial responsibility for the consequences of non-conforming product and/or services including, but not limited to, costs incurred for containment, sorting, premium freight, rework, repair costs of ConMet value add processing, and replacement of defective material, resulting overtime, and productivity loss incurred by ConMet or by ConMet's Customers.

Following is the charge back costs associated with nonconforming product:

- Administration fee of $300 for each SRR issued. Repeat failures after the closure of the corrective action within six months of the initial supplier rejection date may result in an increased fee of an additional $500 being assessed.
- Late submittal of corrective actions is subject to a $200 administration fee, this fee may be waived if there are circumstances that warrant the extended timeline, and the ConMet Quality manager agrees.

- Sorting by a 3rd Party Sorting Company is the responsibility of the supplier. ConMet may elect to initiate a contract with the 3rd party Sorting company, but it is required that the supplier contact the sorting company and take responsibility for the sorting cost. Sorting companies must be ISO-9001 certified and qualified by ConMet. The supplier shall share the results of the sorting activities with ConMet.
- In-house sorting by ConMet personnel (if required to avoid down production line): Supplier will be responsible for costs incurred. ($120 per associate per hour)
- Production Line down charge—Supplier will be responsible for actual costs incurred at ConMet.
- Our customers assessed charges associated with the failure.

Miscellaneous fees (rework, material handling, required Customer visit time and travel costs, expedites, tooling/machine damage, testing, etc.): Supplier will be responsible for actual costs incurred.

12. Supplier Monitoring

Supplier performance is measured and reported in the form of a supplier scorecard. This scorecard is used to communicate the performance of the suppliers in categories deemed important to ConMet and our customers. Four categories are measured: Quality, Delivery, Corrective Actions and PPAP performance. Suppliers can access the scorecard at: https://conmet.empowerqlm.com

Grading Supplier Performance

- Quality: 60% of total score.
  - 20% assigned for the number written concerns issued,
  - 20% for the number of repeat concerns issued,
  - 10% for the number of CMI/OEM Quality Line Disruptions,
  - 10% issued for Quality PPM performance.
- Delivery 20% of the total score.
  - 10% assigned for on-time delivery performance,
  - 10% assigned for CMI/OEM Delivery Line Disruptions.
- Corrective Actions 10% of total score.
  - 5% assigned for on-time completion of the corrective action
  - 5% assigned for first-time through performance of the corrective actions submitted.
- PPAP performance 10%of total score.
  - 5% assigned for on-time completion of PPAP's
  - 5% assigned for first-time through performance of the PPAP's submitted.

- Responsiveness rating is not included in the scoring but is measured and scored with a maximum value of four for strong responsiveness of the supplier and a low score of zero. Elements considered are request for quote responsiveness, yearly submittals for CQI's, timeliness of requested information, etc.

The chart below details the values per category.

Categories Measured	Assigned Values			
Written Concerns Issued	0=20%	1=15%	2=10%	>2=0
Repeat Failures	0=20%	1=15%	>1=0%	
PPM	<11=10%	<50=5%	>/=50=0	
CMI/OEM D Disruptions	0=10%	1=5%	>1=0	
CMI/OEM Q Disruptions	0=10%	1=5%	>1=0	
Delivery	>95=10%	>90=5%	>85=2%	<85=0
CA FTT	100%=5%	<100%=0		
CA PT	100=5%	<100=0		
PPAP OT	100=5%	<100=0		
PPAP FTT	100=5%	<100=0		

13. Low Performing Suppliers

ConMet monitors supplier performance and capabilities on a regular basis. When any of the monitored parameters indicate a negative performance trend or significant abnormality, the supplier is considered for placement into a supplier improvement program. Areas may include as applicable:

- Product launch capabilities / performance
- Issues related to critical and special characteristics
- Responsiveness
- Non-compliance with statutory and regulatory requirements
- Safety related concerns
- Quality performance
- Delivery performance
- Warranty performance and premium freight
- Supplier's financial health
- Compliance with customer-specific requirements (ConMet or OEM)
- Other areas deemed applicable by ConMet or our customers

Suppliers may be notified of the potential inclusion in any supplier improvement program by a Low Performing Supplier warning letter sent to the supplier's management representative.

There are three stages: LPS1 (initial stage), LPS2 (midlevel stage), and LPS3 (advanced stage).

Each time the supplier is elevated to a higher stage, the actions required will include those of all previous stages, plus the additional actions required by the new stage.

LPS level 1

The initial notification (LPS1)

At the LPS stage, the supplier will receive notification in the form of a warning letter. The recipient of the LPS1 shall notify their management team within 24 working hours of receiving the notification. The supplier shall take necessary action to address the concerns noted in the notification and report the action taken to the initiator of the LPS1. Considerations can include, but are not limited to:

- Safe Launch Plan as applicable
- Control Plan(s) audit
- Update LPA's
- CS1 containment as defined by ConMet
- Safety audits as defined by ConMet
- MSA Reviews

If the actions are deemed timely and effective, the ConMet SQ representative will close the notification and send the supplier representative a closure statement.

If the actions are not deemed timely or effective, the ConMet SQ representative may escalate the LPS1 to an LPS2 level.

LPS level 2

LPS2 suppliers are placed on New Business Hold (NBH) status. Upon receipt of the LPS2 notification the supplier's management team must take an active leadership position in defining and addressing the root causes of the concerns. The action items shall be monitored and reported to the ConMet SQ representative on a weekly basis.

- Safe Launch Plan as applicable
- Control Plan(s) audit
- Update LPA's
- CS1 containment as defined by ConMet
- Safety audits as defined by ConMet
- Conduct new MSA as defined by ConMet

- Supplier notification of NBH to the supplier's certification body
- Weekly review with ConMet representatives (at our ConMet plant as warranted)

If the actions are deemed timely and effective, the ConMet SQ representative can close the notification and send the supplier representative a closure statement.

If the actions are not deemed timely or effective, the ConMet SQ representative may escalate the LPS2 to an LPS3 level.

LPS level 3

The supplier is kept on New Business Hold during this phase. With LPS3, the supplier's executive management team is required to compile and report on actions taken to address the concerns. This team will be required to present the actions and/or planned actions in person to a ConMet Executive management team at an agreed-upon date.

- Safe Launch Plan as applicable
- CS2 containment as defined by ConMet
- Safety audits as defined by ConMet
- Conduct new MSA as defined by ConMet
- Weekly review with ConMet representatives (at our ConMet plant as warranted)
- ConMet NBH notification to the supplier's certification body

If the improvements are not realized, ConMet may elect to develop an exit strategy with the supplier. The supplier is required to support the exit strategy.