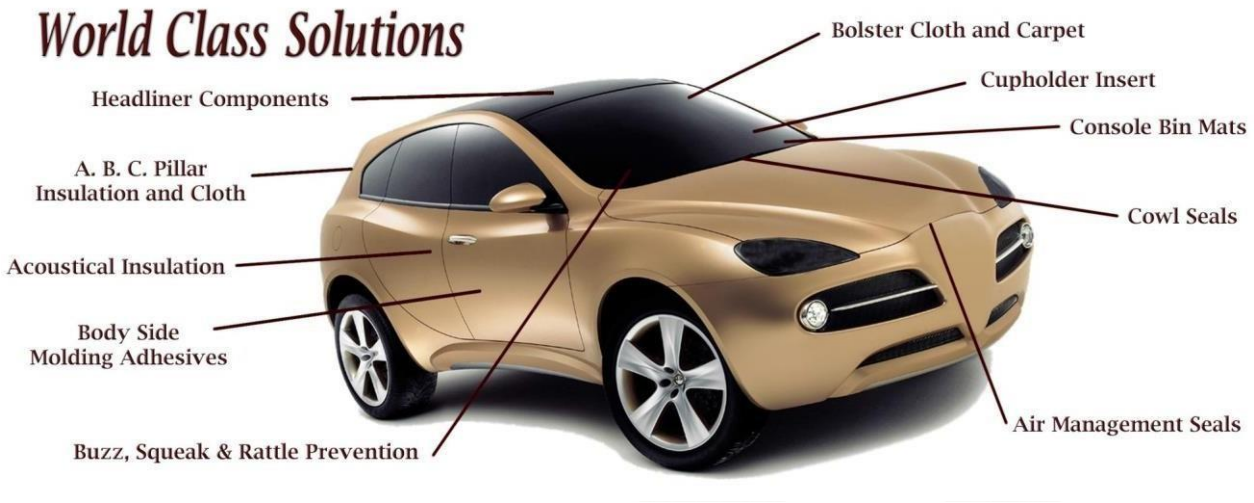
SUPPLIER REQUIREMENTS MANUAL

SEPTEMBER 2023

IATF 16949



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1.1 Introduction

Established in 1977, Derby Fabricating Solutions is a manufacturer of Die-Cuts and Custom Assemblies primarily for the automotive industry with its corporate office in Louisville, Kentucky. Derby's manufacturing plants are located in Louisville, Kentucky; Sidney, Ohio; Cadiz, Kentucky and Rockford, Michigan. The purpose of this manual is to establish the requirements for doing business with Derby Fabricating Solutions, which shall be referred herein as "Derby."

1.2 Derby Quality Policy

At Derby our goal is 100% customer satisfaction today and by continual improvement to exceed customer expectations tomorrow.

- Provide our customers with the highest quality products and services.
- Provide products and services on time in the best possible manner.
- Provide our customers with the best value for our products and services.
- Provide open communications with our customers to meet the customers' needs.
- Partner with our suppliers to ensure the best possible quality and cost to our customers.
- Provide a system of employee involvement, motivation, and training.
- Derby is committed to satisfy all applicable requirements.

1.3 Environmental Policy

Derby Fabricating commits to the prevention of pollution by complying with applicable legal and regulatory requirements. To assure continual improvement of its environment management system, Derby will establish and evaluate achievable environmental performance objectives within its manufacturing locations.

1.4 Supplier Requirements Manual

General supplier requirements are contained within the Derby Supplier Manual. Supplier compliance with this manual is a requirement of doing business with Derby. Performance of Suppliers in meeting these requirements will be assessed on an on-going basis and will be a factor in supply strategy. A Supplier scorecard detailing performance will be communicated at selected intervals by fax, mail, or email.

1.5 Social Accountability

Derby selects business partners who comply with local law and internationally acceptable fair and safe labor practices. Suppliers shall comply with all applicable Federal, State, and Local laws, and rules and regulations of any government authority, which have the effect of law.

1.6 Quality System Requirements

Suppliers are required to be third party certified to the latest version of ISO-9001 with a goal to comply with IATF 16949. Suppliers that are not third party certified to ISO-9000 standard, may be evaluated based on history of quality and delivery performance, and second party audits. External laboratories used for inspection, test or calibration services are approved by the customer and/or are accredited to ISO/IEC 17025 (or equivalent).

2.1 Supplier Selection and Approval

Derby uses a multi-functional process to select and approve Suppliers. Suppliers are evaluated with regard to risks and their ability to supply products meeting specified requirements. Criteria for selection, evaluation and re-evaluation will be based on ability to meet requirements, supplier's historic performance, quality management system, cost, financial stability, and capacity.

During the selection process, Derby may require the following:

- Supplier Profile completed (form provided by Derby)
- Signed Non-Disclosure Agreement (when applicable)
- Request for Quote (quote based on Derby's requirements)
- Supplier Self/On-Site Quality Assessment - Based on the critical nature of the business, Derby may elect to have the Supplier complete a Self Quality Assessment and/or an on-site assessment. (Assessment form to be provided by Derby)
- Financial Analysis - Derby will determine financial viability based on the information provided in the Supplier Profile. Further analysis, including the use of Dunn & Bradstreet, may be used in the financial viability decision.

The decision to select a Supplier can include a multi-functional team. Some Suppliers will be accepted with conditions that must be addressed before award of business. Upon approval, Suppliers will be added to the Approved Supplier List (ASL).

2.2 Sub-Supplier Management

Suppliers to Derby are fully responsible for the performance of their sub-suppliers. It is the responsibility of the Supplier to manage the quality of all sub-contractor operations. All requirements described in this Sup-Supplier Quality Manual are also to be applied for sub-contractors. All documents, registers, and audit reports must be kept available by the Supplier and/or submitted to Derby for evaluation when required.

2.3 Requests for Quote

All requests for quote will typically contain all necessary documents for full quotation, including:

- Prints
- Technical specifications
- PPAP submission requirements
- Physical samples, when available

The Supplier must contact Derby in the event the request for quote materials is illegible, unclear, or missing key information that is necessary for quotation. Later amendments or changes to Supplier's proposal, due to any reason, will not be accepted.

2.4 Purchase Orders (PO's)

Product specific requirements may also be communicated on POs. Product drawings listed on POs may specify characteristics that affect the fit, form, and function of the product. Each PO should be followed by an acknowledgement from the Supplier confirming for each part number, the price agreed upon, quantity, and delivery date. Product configuration will be specified by the prints in addition to the configuration specified by the part number. Acceptance of the PO is an acceptance of the standard Terms and Conditions of the PO.

3.1 Packaging and Logistics Requirements

The Supplier is expected to meet the labeling, shipping, packaging, and logistics requirements as specified by the applicable Derby buyer.

3.2 Revisions

Any revision to the product requirements will be communicated through the Derby purchasing organization, or through revision levels listed on Purchase Orders. It is the Supplier's responsibility to review Purchase Orders to ensure that up-to-date revisions of product requirements are utilized by their manufacturing. In case of non-compatibility, it is the Supplier's responsibility to request from Derby an updated specification. The Supplier is not allowed to deliver previous revision level parts, except by written agreement with the pertinent Derby plant quality team.

3.3 Part Qualification

Suppliers are required to follow the requirements of the current edition of the Production Part Approval Process (PPAP) manual and meet the intent of the requirements specified in the following AIAG Reference Manuals: Advanced Product Quality Planning and Control Plan (APQP), Potential Failure Mode and Effects Analysis (FMEA), Measurement System Analysis (MSA) and Statistical Process Control (SPC). Should a PPAP be required, the Supplier will be informed by the buyer. The Supplier is responsible for ensuring that the sourced product meets all requirements identified. This includes applicable specifications, referenced specifications, industry standard requirements for testing and performance, and specific testing requirements identified by Derby. Note: PPAP forms are available upon request.

3.4 Production Part Approval Process (PPAP)

Derby requires PPAP on all parts and raw materials used in our product. PPAPs should be submitted to Derby using AIAG forms where applicable. Level of submission will be defined by the Derby buyer:

Level 1: Only the Part Submission Warrant (PSW).
Level 2: PSW with product samples and limited supporting data.
Level 3: PSW with product samples and complete supporting data.
Level 4: PSW and other requirements as defined by the customer.
Level 5: PSW with product samples and complete supporting data available for review at the supplier's manufacturing location.

As a Supplier, you are required to send properly identified PPAP sample parts for with full dimensional analysis on the AIAG Dimensional Data Sheet to the designated Derby representative.

Sample parts will require a full dimensional analysis to be sent with PSW and should be on the Derby Dimensional Data Sheet.

For more information on how to submit and properly label PPAP sample parts, you should review the most current revision of the PPAP Production Part Approval Process manual from AIAG.

4.1 Material Compliance

Derby requires Suppliers to understand and verify the composition of their raw materials. At any time, Derby reserves the right to request raw material confirmation on any Supplier purchased product. The Supplier should be able to provide a Certificate of Acceptance (COA) report when required.

If you are making a permanent change to any raw material or sub-supplier providing your company with raw material, you are required to submit a Supplier Change Request (SCR) to Derby and receive approval prior to making the change.

Should your company not have in-house capability to test your materials, you must secure an accredited external third-party source that is accredited to ISO/IEC 17025 (or equivalent) and has the capability of material compliance analysis for your specific raw materials. All Suppliers must have the ability to provide evidence of material compliance, and when external testing is performed, third party accreditation, if requested by Derby.

4.2 Product Material Content Recyclability Reporting (PMCRR-IMDS)

Suppliers shall provide information requested by a Derby representative on product material content, recyclability, weight, and other information to assure acceptability within the IMDS (International Materials Data System).

All first-time submissions of products to Derby must include Material Safety Data Sheets.

4.3 Dock to Stock

Derby believes that the Supplier is solely responsible for the Quality of the product when it is received. If a Supplier has demonstrated conforming performance in Quality and Delivery, they may be chosen at the discretion of the Derby site Quality Manager to participate in the Dock to Stock Program.

The basic criterion for being chosen as a candidate for Dock to Stock shipments is as follows:

- No outstanding quality or delivery corrective actions
- Five clean shipments (no quality or delivery issues by part number)
- Adherence to inspection standards and product certifications

4.4 Corrective Action Methodology 8D

When Supplier non-conformances are identified within a Derby Manufacturing site, a Supplier Corrective Action Request may be initiated. Determination of when a corrective action will be issued is the responsibility of the Derby Manufacturing site. Containment is required in 24 hours of notification and completed corrective action to be submitted within 14 working days.

The Derby Corrective Action Request process is as follows:

- Non-conformance identified by Derby or a customer of Derby.
- The Derby receiving location will issue a request for corrective action to the Supplier.
- Supplier will provide a containment response to Derby with 24 hours/1 business day.
- Supplier will provide a root cause and corrective action plan response within 14 calendar days, unless otherwise extended by the Derby location issuing the request for corrective action.
- Supplier will provide evidence of effectiveness of corrective action within 21 calendar days, unless otherwise extended by the Derby receiving location.

5.1 Chargeback

Non-conformances on products supplied to Derby can have a large effect on deliveries and product performance. In the case of non-conformance, it is the responsibility of the Supplier to insure adequate conforming parts, or material is delivered in time to prevent any line stoppage situations.

This can be accomplished in the following ways:

1. Expedite shipping of conforming and certified product so it arrives before a line stoppage occurs
2. Provide sorting, repair, or rework resources to the appropriate Derby/Customer location in a timely fashion to prevent any shortages.
3. If 1 and/or 2 cannot be accomplished within a timely fashion to prevent line stoppage, Derby reserves the right to sort, repair, or rework the non-conforming product at Supplier's expense to ensure acceptable product is utilized and production requirements are met.

5.2 Non-conforming Product Charges

If non-conforming product results in costs to Derby (costs may include, but not limited to: Charges related to sort, rework, repair, product scrap, production downtime, customer-imposed charges, warranty or recall costs, shipping, etc.) Derby re- serves the right to charge the Supplier all reasonable associated costs. Derby will attempt to notify the Supplier at its earliest opportunity.

5.3 Conflict Mineral Reporting Requirements for Suppliers

Derby Fabricating Solutions requires that each of our suppliers support our efforts for Conflict Mineral Free sourcing by conducting due diligence of their supply chains and provide the results of the due diligence analysis to Derby Fabricating Solutions upon request.

Supplier Agreement Confirmation

_____ agrees to fully comply with the requirements set forth in this Supplier Requirements Manual.

(Supplier)

_____	_____	_____
(Supplier Authorized Representative)	(Title)	(Date)

Please send authorized copy to the following:

Michael Hardison

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Phone: (502)964-9135 X 2230