Integram-Windsor Seating
Supplier Manual
Addendum to
Magna Global Supplier Requirements Manual

Revision 9 – May 2015
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>SECTION TOPIC</th>
<th>SUBCATEGORY</th>
<th>PAGE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Introduction</td>
<td>1.1 Preface</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1.2 Communication</td>
<td>4</td>
</tr>
<tr>
<td>2.0 TS-16949 &amp; ISO-14001</td>
<td>2.1 QMS &amp; EMS Development</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>2.2 Quality Management System Self-Assessment</td>
<td>5</td>
</tr>
<tr>
<td>3.0 Product/Process Development</td>
<td>3.1 APQP Expectations &amp; Requirements</td>
<td>5 – 6</td>
</tr>
<tr>
<td></td>
<td>3.2 Product Evaluation Runs (PER)</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>3.3 Supplier Internal Process Evaluation (SIPE)</td>
<td>6 – 7</td>
</tr>
<tr>
<td></td>
<td>3.4 Product / Program Changes</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>3.5 Tooling and Equipment</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>3.6 Manufacturing Process Design &amp; Validation</td>
<td>7 – 8</td>
</tr>
<tr>
<td></td>
<td>3.7 Error and Mistake Proofing</td>
<td>8</td>
</tr>
<tr>
<td>4.0 Product/Process Approval</td>
<td>4.1 Production Demonstration Run</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>4.2 Appearance Approval – CSR</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>4.3 International Material Data System</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>4.4 Deviation to Ship Product (TASP/PPSR)</td>
<td>10 – 11</td>
</tr>
<tr>
<td></td>
<td>4.5 PPAP Submission Requirements</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>4.6 Launch - Shipment Certification Plan</td>
<td>11</td>
</tr>
<tr>
<td>5.0 Change Management</td>
<td>5.1 Quotation Response Requirements</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>5.2 Engineering Changes</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>5.3 Engineering Change Level versus Letter</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>5.4 Purchase Order Change Notices</td>
<td>12 – 13</td>
</tr>
<tr>
<td></td>
<td>5.5 FCA Forever Requirements</td>
<td>13 – 14</td>
</tr>
<tr>
<td></td>
<td>5.6 Forever Requirements Acknowledgement</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>5.7 Extended Enterprise Mapping – CSR</td>
<td>14</td>
</tr>
<tr>
<td>6.0 Ongoing Assessments</td>
<td>6.1 Qualification of Incoming Material</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>6.2 Standard Annual Requirements</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>6.3 Annual Validations</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>6.4 Customer-Specific Self-Assessment Requirements</td>
<td>15 – 16</td>
</tr>
<tr>
<td></td>
<td>6.5 FMVSS 302 Flammability Reporting</td>
<td>16</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
<td>Pages</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>7.0</td>
<td><strong>Materials &amp; Logistics</strong></td>
<td></td>
</tr>
<tr>
<td>7.1</td>
<td>Packaging</td>
<td>16 – 17</td>
</tr>
<tr>
<td>7.2</td>
<td>Lot Traceability</td>
<td>17</td>
</tr>
<tr>
<td>7.3</td>
<td>Shipping Labels</td>
<td>17 – 19</td>
</tr>
<tr>
<td>7.4</td>
<td>First In – First Out (FIFO)</td>
<td>19</td>
</tr>
<tr>
<td>7.5</td>
<td>Service and Replacement Parts Requirements</td>
<td>19 – 20</td>
</tr>
<tr>
<td>7.6</td>
<td>Material Release General Information</td>
<td>20</td>
</tr>
<tr>
<td>7.7</td>
<td>Shipping to Release</td>
<td>20</td>
</tr>
<tr>
<td>7.8</td>
<td>Shipping Documentation – Customs &amp; NAFTA</td>
<td>20 - 21</td>
</tr>
<tr>
<td>7.9</td>
<td>Advanced Shipment Notification (ASN)</td>
<td>21</td>
</tr>
<tr>
<td>7.10</td>
<td>Freight</td>
<td>21</td>
</tr>
<tr>
<td>7.11</td>
<td>Supplier Receiving Discrepancy Reporting (RDR)</td>
<td>21 – 22</td>
</tr>
<tr>
<td>7.12</td>
<td>Obsolete Material Claims</td>
<td>22</td>
</tr>
<tr>
<td>7.13</td>
<td>Requesting Premium Costs</td>
<td>22 – 23</td>
</tr>
<tr>
<td>8.0</td>
<td><strong>Supplier Monitoring</strong></td>
<td></td>
</tr>
<tr>
<td>8.1</td>
<td>Product Quality</td>
<td>23</td>
</tr>
<tr>
<td>8.2</td>
<td>Corrective Action Report</td>
<td>23 – 24</td>
</tr>
<tr>
<td>8.3</td>
<td>Root cause Analysis &amp; Problem Solving</td>
<td>24</td>
</tr>
<tr>
<td>8.4</td>
<td>Corrective Action Response Timing</td>
<td>25</td>
</tr>
<tr>
<td>8.5</td>
<td>Supplier Visits</td>
<td>25</td>
</tr>
<tr>
<td>8.6</td>
<td>Third Party Sort Process</td>
<td>25 – 26</td>
</tr>
<tr>
<td>8.7</td>
<td>Supplier Performance Scorecard</td>
<td>26 – 27</td>
</tr>
<tr>
<td>8.8</td>
<td>Supplier Partnership Review (SPR)</td>
<td>27 – 29</td>
</tr>
<tr>
<td>8.9</td>
<td>Supplier Infractions &amp; Charge-Back Policy</td>
<td>29</td>
</tr>
<tr>
<td>9.0</td>
<td><strong>General Information</strong></td>
<td></td>
</tr>
<tr>
<td>9.1</td>
<td>Electronically Accessing Quality Manual</td>
<td>30</td>
</tr>
<tr>
<td>9.2</td>
<td>Conclusion</td>
<td>30</td>
</tr>
<tr>
<td>9.3</td>
<td>Acronyms</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Revision History</td>
<td>31</td>
</tr>
</tbody>
</table>

**Supplier Manual Acknowledgement** | 32 |
INTRODUCTION

1.1 PREFACE

- The quality and delivery requirements defined herein are to be considered an addendum to the Purchase Order issued to all suppliers of direct material, and does not replace or alter the terms or conditions covered by these purchasing documents, the Statement Of Work (SOW), or warranty agreements.

- This Supplier Manual has been developed based on our customer’s expectations, internal corporate guidelines and the latest released edition of TS-16949 QMS requirements, including Customer-Specific Requirements (CSR).

- Compliance to the requirements defined in this Addendum and the SOW are mandatory for all direct material suppliers conducting business with Magna Seating. Suppliers will be expected to fulfill all elements.

- Supplier acknowledgement of a Purchase Order from the procuring seating division implies that all quality and delivery requirements are fully understood and encompassed in the supplier quotation.

1.2 COMMUNICATION

The foundation of a good relationship with our supply base is open, effective, concise and proactive communication. This relationship between Procuring division and its Suppliers will be managed to the highest degree of honesty, integrity and professionalism.

- It is the supplier’s responsibility to maintain and provide a current listing of key contacts within their manufacturing facility (see attached format – sample shown Appendix ‘A’), including off-shifts.

- With regard to corrective action responses, the supplier will need to designate one person for quality issues and one person for delivery issues who has responsibility for summarizing all internal actions and providing, at a minimum weekly, documented updates to the Procuring division relative to the status and progress of issue resolution and corrective actions. These individuals must also designate an alternate who in their absence understands and can fulfill the SCAR activity and response requirements as well as address any new issues.

- As changes occur within the supplier’s organization updated information must be provided to the Procuring division for the following:
  - Current contact names and numbers
  - Labour contract (union) status & expiration
  - Contingency Plans
  - TS-16949 & ISO 14001 certificates & registration status (QMS/EMS)
  - Changes covered under the Forever Requirements/SREA
  - Forever Requirements Acknowledgement
  - Supplier Corrective Action Reports (SCAR)
  - Yellow dot certification/containment & third party sort results
TS-16949/ISO9001 AND ISO 14001

2.1 SUPPLIER QMS & EMS DEVELOPMENT

- Refer to section 2.2 of the main manual pertaining to expectations regarding certification to the latest ISO/TS-16949 Quality Management System standard, ISO:9001:2008 as well as ISO:14001 Environmental Management System. This includes compliance to all Customers-Specific Requirements (Ford, GM and FCA) outlined in the supplemental documents.
  - Change in certification status (such as suspension, expiration and re-registration) must be communicated to Procuring Division Material Planner, Quality Engineer and Purchasing within 5 business days of change – a copy of the latest registration certificate must also be forwarded by the Supplier to the Procuring Division upon receipt.
- All Suppliers who are authorized to remain certified solely to ISO 9001:2008 will need to schedule and complete annual external audits performed during the same month as their certification, by any of the ISO/TS 16949 accredited Registrars (Certification Bodies), which the OEM(s) consider as an approved 2nd party. Suppliers registered to ISO 9001:2008 must demonstrate compliance to the latest revision of ISO/TS 16949. Audit results must be forwarded to the procuring division’s Quality department upon request.

2.2 QUALITY MANAGEMENT SYSTEM SELF ASSESSMENT

- Per FCA Customer-Specific Requirements, all Tier ones supplying to FCA are required to ensure that the entire supply base performs a self-assessment annually to ensure their Quality Management System complies with the objectives, metrics and support mechanisms defined in the “Elements for Manufacturing Basics”
- This document is available for your use through the FCA Global Supplier Portal eSupplier Connect via the “Quality Management Systems Information” page
- Records of these annual self-assessments must be maintained and available upon request (including any corrective actions required for compliance) – internal audit results to TS-16949 /ISO 9001 will be recognized as evidence of meeting this requirement

PRODUCT/PROCESS DEVELOPMENT

3.1 APQP EXPECTATIONS AND REQUIREMENTS

- Magna Seating requires that all suppliers implement the APQP process with full compliance to the latest revision of AIAG Advanced Product Quality Planning & Control Plan manual for all new programs & product launches.
- The supplier is required to regularly communicate their APQP status to the Quality Engineer using the APQP Status Report. During the initial phase of APQP the Supplier may be required to complete and submit a Quality Risk Assessment to highlight areas of concern and to enable an evaluation of the sourcing and program risks. It is the responsibility of the Supplier to ensure that their subcontractors (sub-tier suppliers) are meeting similar expectations and requirements.
- Any deliverables that have a Yellow or Red status (receives a score of 3 or less) must be accompanied by Risk Mitigation plan which identified the issues, corrective actions, responsible individual for those actions and a target date for completion.
- In addition to the APQP Status Report suppliers are required to submit a master timeline which identifies critical program events, including but not limited to; Timing for Design, Timing for Tooling (Prototype & Production), Timing of Build Events (Prototype & Production) including a Production Demonstration Run (Run at Rate), PPAP, etc.
• For New Program launches suppliers will be required to work with the Magna Seating Product Engineers at group office, located in Novi Michigan, and the Quality Engineer to review those items required to be designated as **Special, Critical or Key Product Characteristics**, as well as obtain approval on the proposed measurement methods used to control these items (NOTE: attribute gauging on SCs or KPCs is not acceptable unless otherwise agreed to by the customer)

• For design responsible Suppliers a **Design Verification Plan & Report** (DVP&R) must be completed, approved by Product Engineering in Novi, and submitted to the designated Quality Engineer (either Novi or IWS) as part of the APQP package prior to PPAP submission. The DVP&R must list all engineering specifications/ standards and associated testing required, along with corresponding test results. Action Plans must be submitted for any failures and a TASP form must be completed and sent prior to PPAP submission.

• At minimum the checklists & forms outlined in the AIAG Advanced Product Quality Planning and Control Plan manual must be completed as part of the APQP process. The designated Magna Quality Engineer (either at Novi or IWS) will advise you on the submission requirements and will monitor progress with meeting the timing milestones for each deliverable, and for assessing completeness and effectiveness of required documents and activities

• When designated by the OEM via their customer specific documents (e.g. FCA’s PPA Process Planning & Audit manual) there may be additional activities such as a Process Audit that may be required if a supplier or the components they supply are deemed to be medium or high risk

### 3.2 PURPOSE OF PRODUCT EVALUATION RUNS (PER)

• Product Evaluation Runs are used to assess the feasibility and functionality of upcoming design changes to ensure there is no negative impact to mating components and that performance requirements are validated

• It enables verification of the manufacturing process with regard to build sequence, functionality and line speed rates

• Provides an opportunity for the customer to assess the impact of the change in the vehicle environment

• Allows for a response period within which to address any issues which may impact a successful launch

• Product shipped for the purpose of a PER must be clearly identified with a 4 ½ X 5 adhesive blue label outlining the applicable PER number, description and attention of the person requesting the PER. For a sample of the label (FCD-0504) please go to the information section of the Magna Supplier Portal, [http://supplier.magna.com](http://supplier.magna.com)

### 3.3 SUPPLIER INTERNAL PROCESS EVALUATION (SIPE)

• Whenever new suppliers are brought on board, new parts are introduced, or major design changes to existing parts have occurred, the supplier will be asked to conduct an internal review at the Procuring division to assess how their parts are stored and processed throughout the manufacturing process and to record their issues and actions on a 'Supplier Internal Process Evaluation' form (FCD-0817) obtained thru the Magna Supplier Portal, [http://supplier.magna.com](http://supplier.magna.com)

• The supplier is responsible for the follow-up and resolution to any issues identified. This evaluation will include assessments in the following areas:

  1. Drawing Characteristics & Tolerances
  2. Appearance/Craftsmanship
3.4 PRODUCT /PROGRAM CHANGES

- Magna Seating and its procuring division will not accept any cost increases due to process-oriented developmental changes that are necessary to meet the design requirements. This includes any error or mistake proofing necessary to qualify product or implemented as a result of a quality spill.

- Suppliers will be reimbursed only for approved costs associated with product/program changes mandated by Procuring division or the OEM.

- If Magna Seating or its Division’s initiates product/program changes that result in reduced production tooling or manufacturing costs, the procuring division would expect piece price or tooling costs to be reduced to reflect the entire amount of the reduction.

3.5 TOOLING & EQUIPMENT

- Tooling/die design and build must be done in a manner which ensures that the manufactured tools will provide high quality parts throughout the life of the tooling. Suppliers are responsible for the maintenance of all dies/tooling, equipment and gauges. Those items shall be used only for the production of the defined Customer products.

- All customer-owned tooling, equipment and gauges (at all tiers) must be identified and marked per customer requirements, and remain permanently identified to reflect ownership. Tools shall be clearly marked with the same unique tool number as identified by the customer on the Supplier Tool Record (STR) and the Tool Purchase Order (TPO). The method used to mark the tools shall be non-degradable and fireproof. Acceptable methods of marking include, but are not limited to: etching, stamping, and embossing. Unacceptable (non-permanent) methods include; stenciling, painting, inking, paper and/or metal labels or tags, etc.

- The Supplier will have to submit specific photographic evidence of compliance with the tagging/marking requirements and have a complete list of all dies/tooling, equipment and gauges used in the process. This list shall include ownership, unique identification number and location of each item. Final payment of tooling will be contingent upon verification of proper identification and completion of customer PPAP.

- The PSW (Part Submission Warrant) form contains the question: “is each Customer Tool properly tagged and numbered?” Only by complying with the enhanced tool tagging/marking requirements and ensuring that there are no prohibited markings on the tool will a Supplier be able to answer “yes” to that question.

- Following notification to the Supplier, Magna Seating reserves the right to complete on-site inspection of tooling owned by the procuring division.

3.6 MANUFACTURING PROCESS DESIGN AND VALIDATION

- The supplier must develop a Process FMEA in accordance with the guidelines outlined in the latest version of the AIAG Potential Failure Mode and Effects Analysis manual. The PFMEA must align with the Process Flow Diagram and capture the entire process from receiving through
to shipment to the customer. There must also be a mechanism in place to ensure frequent team review to demonstrate continuous improvement activity to drive reduction to assigned RPNs

- **The Control Plan** must align with the PFMEA and be developed in accordance with the guidelines identified in AIAG APQP and Control Plan manual and have adequate controls and reaction plans defined to mitigate risks identified through the PFMEA. The control plan must cover the prototype, pre-launch and production phases of the APQP process

- If supplier manufacturing process assumptions are based on new technology or processes new to the supplier, they must document how and when the processes will be proven out in a pilot program prior to production launch. The pilot program must provide for the manufacture of a sufficient quantity of parts so that your program production launch curve is based on the experience of the pilot program rather than unproven assumptions.

- If a pilot program cannot be accomplished, the supplier must detail a back-up manufacturing plan based on proven processes. The back-up plan would be implemented if problems were encountered in the launch of the new technology or processes that may jeopardize supply of products to Magna Seating’s Division’s.

- Regardless of process assumptions, the Supplier must submit periodic launch plans reflecting process assumptions as well as key launch events, associated timing and progress to plan. The due date for the first submission will be discussed at the APQP kick-off

### 3.7 ERROR & MISTAKE PROOFING

- The goal is to error/mistake proof the manufacturing / assembly process using low cost solutions to create a “bullet-proof” system geared towards shipping zero defects.

- Focus should be on removing ‘operator error’ as a contributing variable to potential failure modes

- At a minimum, Error/Mistake Proofing is required for all items identified in the Design and Process FMEAs with a severity of 8 or higher, as well as for all identified special characteristics:
  - Error proofing the design by adding a feature which prevents a failure mode from occurring
  - Error-proofing the manufacturing process to preventing a failure mode from being produced
  - Defect detection (mistake-proofing) within station or subsequent operations which prevents a defect from being further processed or shipped

- Safety characteristics shall have a primary check performed 100% by Error/Mistake Proofing, as well as a secondary measurement audit performed by Quality Auditors at a specific sample size and frequency, and results recorded on statistical charts

- In addition, it is highly recommended for:
  - any parts that have fastening operations
  - Detection of correct/missing components

- For safety welds, the Supplier must establish optimal process parameter controls with regular audits at a defined frequency to ensure control is maintained - process parameter settings must be error-proofed to stop the operation when the process varies outside of the set limits.

- Repair/Rework areas must contain the same control methods used throughout the mfg./assembly process.
PRODUCT/PROCESS APPROVAL

4.1 PRODUCTION DEMONSTRATION RUN (RUN-AT RATE)

- The Production Demonstration Run (PDR) verifies that a Supplier’s manufacturing process, under normal operating conditions, is able to:
  - Produce components that meet all requirements (customer, government, etc.)
  - Meet or exceed the volume/capacity requirements set in the purchase order
- All production processes are required to have a completed Run-at-Rate package submitted with the PPAP. Depending upon the level of risk associated with the Supplier and Part Number, the Run-at-Rate may be required to be observed on site by Magna Seating and the OEM. If deemed to be low risk by the procuring division, the Supplier may be allowed to complete the R @ R without the presence of a Magna Seating representative
- Production Demonstration Run (PDR) shall be conducted on finished production tools using definitive production processes. The PDR will consist of 300 parts or two hours of production, whichever is more stringent

- For the PDR to be considered successful, the Supplier shall meet the following requirements:
  - The calculated required line speed shall be met or exceeded (calculated from the daily tooling capacity and operating shift pattern on the PO)
  - FTC of 90% or greater (Note: rework, repair or scrap are not to be included in the line speed calculation)
  - Line utilization of 90% or less (when line utilization is greater than 90%, the process is considered to be a potential constraint & will require a contingency plan)

- Process performance/capability studies for all identified special characteristics shall be done on parts derived from the PDR. Any special characteristics using attribute data shall be agreed by the customer and 100% of the parts shall be acceptable. Only parts derived from the R @ R shall be used for the PPAP Submission to Magna Seating

- Failure to meet the quoted peak daily rate will require an approved Corrective Action Plan, and will result in rejection of the PPAP or an interim status being assigned

4.2 APPEARANCE APPROVAL REPORT (AAR) – FCA SPECIFIC REQUIREMENT

- Parts or components with appearance requirements will require a signed Appearance Approval Report (AAR) from the OEM Product Design Office

- All parts submitted will require a barcode label which identifies the latest level end item part number or assembly corresponding to the samples(s) being submitted for Final Appearance PPAP. The barcode label can be a printed original or a copy. The barcode label must comply with the standard FCA Code 3 by 9 format requirements for receipt into their inventory control, dock receiving and/or accounts payable systems (CPQSS mainframe) for all pilot/production builds. Tier 2 and 3 suppliers must secure this required barcode label from their respective Novi Quality Engineer, prior to arranging for a submission

- Suppliers shall have an appearance manual for all components with appearance requirements. This manual shall include a sign-off sheet, table of contents, revision history, quality photos of product shown in different views, and any deviations from design intent
4.3 INTERNATIONAL MATERIAL DATA SYSTEM (IMDS)

- Notice will come from Magna detailing what is required for submission. This notification includes a blank worksheet (sent to Magna when complete) to be used if the supplier does not have IMDS capability, and the name of the contact person (IMDS Coordinator) at Magna. The Magna IMDS ID number mailbox 3713 can be used if the Supplier is to electronically enter the data into IMDS database themselves.

- When data is submitted by the Supplier it is reviewed for content and conformance to IMDS system requirements as well as analyzed for substances being used - IMDS will flag any substance that is declarable or prohibited (exceedence) and reject the submission if any of these conditions appear.

- The IMDS is required to be updated every time a significant variation of total weight of the product (>10%) occurs, or a variation of the composition of the product (including surface treatments) occurs. The supplier must also document traceability of components before and after a material/substance change or elimination.

- Please contact your program Magna Engineering Contact for all IMDS related questions and direction.

4.4 DEVIATION TO SHIP PRODUCT – TASP/PPSR

- Suppliers shall not make any changes in part design, material, or manufacturing process without prior approval from both Magna Seating Engineering and Magna Seating Quality groups.

- Prior to PPAP approval, all deviations must be identified on a Pre-Production Sample Report (PPSR) along with all supporting dimensional and test results pertaining to that lot, and must accompany each shipment – each new lot requires a new PPSR.

- Once production-approved, requests for deviations are managed through a Temporary Authorization for Substitute Parts (TASP). A TASP is to be used whenever a specific quantity of product being shipped is not in compliance with the current specified drawings or inspection standards (deviates from PPAP). This includes any requests for changes not yet captured on a PCN or incorporated into the Design record/drawing.

- A TASP will be agreed to only if there is no other available inventory and the function, performance, safety, or durability of the end item is not affected. This document must be approved prior to shipping product containing the deviation.

- The deviation will state the maximum quantity or period for which the deviation shall apply – if both a quantity and period is specified then the expiration is governed by the lesser of the two (e.g. if date exceeds quantity allowed then the quantity is the ruling factor, conversely if the quantity exceeds the date allowed than the date becomes the ruling factor) – if either of these items expires an extension must be obtained prior to expiration.

- It is the Supplier’s responsibility to monitor expiration dates or maximum quantities, and obtain extensions from Magna Seating Product Engineering where necessary – request for extension must be submitted a minimum of 5 business days prior to expiration to ensure the proper approvals can be obtained from the OEM.

- It is mandatory that the supplier communicates the TASP/PPSR to procuring division’s Materials Planner prior to shipment of the deviated material - Failure to communicate with the Materials Planner prior to shipment will result in a stiff penalty charge and impact the Supplier's overall performance rating.

- Each container shipped under this deviation must be identified with a 4 ½ X 5 AIAG adhesive yellow label (FCD-0504). For a sample of the label (FCD-0504) go to the information section of the Magna Supplier Portal, http://supplier.magna.com.
• The supplier will be fully exposed to all warranty claims and rework or reject costs, for shipments of products which do not fully conform to specification

4.5 PPAP SUBMISSION REQUIREMENTS

• The supplier must submit a PPAP package to either Magna Seating SQE (Novi) or the procuring division’s Quality Engineer (as directed by the Program Manager). Approval must be obtained prior to the first production shipment of product in the following situations:

  1) A new part or product (i.e. a specific part, material or colour not previously supplied to Procuring division)
  2) Correction of a discrepancy on a previously submitted part
  3) Engineering change to design records, specifications, or materials for production product/part number(s)
  4) Any changes outlined under the FCA Forever Requirements or Ford SREA that were deemed to be medium or high risk

• PPAP sample submissions must comply with all the requirements outlined in the latest edition of the AIAG Production Part Approval Process manual and be submitted electronically either in CD format or via e-mail with a scanned compressed pdf. file

• Prior to shipment of new product or engineering changes the Supplier must notify the procuring division’s Materials Planner that the new part or engineering change is ready to be shipped and provide evidence that PPAP approval has been obtained - Failure to obtain approval and notify Procuring division, via an authorized PSW prior to shipment will result in a stiff penalty charge and impact the Supplier’s overall performance rating

4.6 SAFE LAUNCH - SHIPMENT CERTIFICATION PLAN

• To ensure parts meet specifications during the launch phase, a First Production Shipment Certification Plan (FPSC/GP12/yellow dot) is required to be implemented – this includes inspections and controls over and above those of standard production (e.g. additional characteristics, verified at an increased frequencies & sample sizes)

• At a minimum this plan requires that the first shipment plus 90 days of production be certified. If a defect is discovered the FPSC duration shall be repeated in full

• Modifications to the plan (additional characteristics, increased frequencies and sample sizes) can be made by the procuring division’s Quality Engineer based on the initial performance of the supplier

• All Data pertaining to the characteristics & frequencies outlined on the FPSC needs to be submitted to Procuring division’s Quality Engineer upon completion

CHANGE MANAGEMENT

5.1 QUOTATION RESPONSE REQUIREMENTS

• When Magna Seating’s Divisions are considering a product or program change, an RFQ will be generated and forwarded to the supplier.

• Suppliers are expected to respond to Magna Seating Division’s by the due date identified in the RFQ, with documentation as defined by the initiator. Failure to meet expectations established within the RFQ, including timing, cost breakdowns and similar detailed requests, may result in new business hold or removal from the Approved Supplier List.
5.2 ENGINEERING CHANGES

- A Product Change Notice (PCN), issued by Magna Seating Engineering (Novi), authorizes the supplier to make an engineering change to a product – it does not authorize a Supplier to ship the change.

- Unless otherwise notified, level 3 is the default PPAP submission level required by Magna Seating SQE.

- Only an approved Part submission Warrant (PSW) or TASP/PPSR authorizes the supplier to ship the engineering change and/or deviation to Procuring division.

- Remember, a copy of the approved PSW or TASP/PPSR must be available to the Material Planner prior to shipment of an engineering change or new level parts.

- On the first shipment of an engineering change a 4 ½ X 5 AIAG adhesive orange label must be attached to each shipping container outlining the PCN, part number suffix change, PPAP approval date, description of the change, and change type (running or coordinated). For label sample please refer to the Magna Portal, http://supplier.magna.com refer to Magna Seating Information section, IWS specific form - FCD-0504.

5.3 ENGINEERING CHANGE - LEVEL VERSUS LETTER

- The Level, or suffix of the actual component drawing will change if there are significant changes to the product or process, which in turn affect interchangeability and/or tooling requirements.

- The Letter represents which stage the product is within the Level.

5.4 PURCHASE ORDER CHANGE NOTICES

- Purchase Order Change Notices (POCN) are issued upon receipt of an approved PCN and pricing.

- Each POCN will identify the reason for the change, PCN reference number and the change effectivity dates.
POCN’s are issued for the following:
1) Piece Price Change
2) Part Number Change
3) Add / Delete part number(s)
4) Supplier location and/or name change
5) Errors, or omissions from last PO distributed

Supplier PO’s will not be updated until Procuring division receives an amended Customer Purchase Order with reference pricing.

Tooling will not be paid until Procuring division receives payments from our customer based upon successful completion of PPA/PPAP.

All applicable Material Safety Data sheets (MSDS) for controlled products must be submitted to the Material Planner prior to shipment – these records are then kept on file by Human Resources department.

Materials Reporting - all government & safety constraints related to restricted, toxic and hazardous materials must be observed and identified on the Part submission Warrant (IMDS-International Material Data System).

5.5 FCA FOREVER REQUIREMENTS

FCA’s ‘Forever Requirements’ stipulates that we proactively communicate with the customer and notify them of the following:
- Proposed manufacturing location changes
- Proposed material or process changes
- Sub-supplier issues
- Potential supply capacity issues

Not only are we responsible to FCA for changes made at our facility but also for managing all changes made by our supply base throughout the Extended Enterprise network right down to the raw material suppliers. This means that all tiers throughout the supply chain must have a system in place to ensure that we are notified in advance, and the appropriate approvals are obtained, whenever the following occur:
- Change in part processing (including changes in test/inspection methods)
- Change in sub supplier, or material source change
- Parts produced at an additional or different location
- Potential supply capacity issues – supplier did not meet release requirements or is having difficulty obtaining parts from their suppliers or meeting the ramp up schedule
- Tooling capacity change
- Tooling inactive for greater than one year
- Tooling refurbishment/replacement
- Tooling transfer (resource)

At a minimum, the supplier must notify Integram and Magna Seating Supplier Quality Engineer & Purchasing Manager (Novi, Michigan) of these changes by submitting a completed copy of FCA’s Forever Requirement’s Activity Form available through FCA’s Supplier Portal (eSupplierConnect).

A finalized Forever Requirement is approval of the planned change ONLY, it is NOT part approval. There are still specific Production Part Approval Process (PPAP) and Production Validation (PV) testing activities required before parts can be shipped.
• FRs identifies as high risk in the FR header page by the FCA SQE require a **Process Audit (PA)** and **Production Demonstration Run (PDR)** led by the FCA SQE and supported by Magna Seating Supplier Quality (Novi)

• **Note:** **Forever Requirements Activity** forms need to be initiated early enough to enable circulation of the form through Magna Seating and FCA (SQE, Engineering & Buyer) for appropriate approvals to be obtained prior to change implementation – to align with FCA timing this needs to be submitted **90 days prior** to change implementation (consideration will be given to extenuating circumstances which may warrant expedited timing)

• In the event that Magna Seating’s **Supplier Quality Engineer** at group office in Novi, Michigan is not available, and there is an urgency to expedite notification or submission approval, then contact Magna Seating **Quality Manager at Novi’s group office** for further direction

## 5.6 FOREVER REQUIREMENTS ACKNOWLEDGEMENT

• Suppliers to Procuring division will be required to submit a completed ‘**Forever Requirements Acknowledgement**’ form to confirm receipt, understanding and intention to comply with change-control notifications and approval

• This document is a commitment by the supplier to manage and control changes throughout the extended enterprise network (sub-tiers right down to raw material) and to keep Magna Seating informed of these changes prior to implementation

• This document is to be signed by the Supplier’s Plant Manager, Quality Manager, Materials Manager and Operations Manager (or Production Manager) and returned to IWS SQS

## 5.7 EXTENDED ENTERPRISE MAPPING – FCA REQUIREMENT

• Data relating to Extended Enterprise mapping must be forwarded to Magna Seating Quality Engineer who will update the FCA Supplier Chain Mapping database - **SUPPLY CHAIN MAPPING** is a method used to look at the complexity of the extended enterprise value chain. Mapping details the manufacturing process, transportation and other factors that go into component production.

• Mapping of extended enterprise must include all tiers down to the raw material supplier and subcontractors

• **Forever Requirement** changes related to sub tiers & subcontractors (i.e. plating, heat treating) will require an update to the Easy Map database

## ONGOING ASSESSMENTS

### 6.1 QUALIFICATION OF INCOMING DIRECT MATERIAL – ONGOING

• Magna Seating divisions do not perform any receiving inspection as it is our expectation that all product received is 100% good. To assure the ongoing quality of purchased product one or more of the following methods may be used by the Procuring division:

  ✓ Receipt and evaluation of statistical data (e.g. control charts, quarterly Cpk results)
  ✓ Part evaluation by a designated accredited laboratory
  ✓ Quality System Audit results from second or third-party assessments (TS-16949) when coupled with records of acceptable delivered product quality
  ✓ Records of in-process and/or final product audits performed by supplier
  ✓ Layered Process Audit results
  ✓ Dimensional layout performed at Procuring division
  ✓ 100% incoming receiving as performed by a third-party sort facility
6.2 STANDARD ANNUAL REQUIREMENTS

- Component Annual Validation – Dimensional, Material and Performance test results to Magna drawing unless otherwise approved by Magna Seating Engineering at group office in Novi, Michigan
- CQI-9 HTSA – Heat Treat System Assessment
- CQI-11 PSA – Plating System Assessment
- CQI-12 CSA – Coating System Assessment
- CQI-15 WSA – Welding System Assessment
- CQI-17 SSA – Soldering System Assessment
- CQI-23 MSA – Molding System Assessment
- FMVSS 302 - Flammability Reporting
- IMDS – International Material Data System
- Quality Management System Self Assessment

6.3 ANNUAL VALIDATIONS

- On an annual basis Suppliers are required to perform and submit all applicable self assessments listed in section 6.2, as well as full dimensional layouts (including marked drawing) along with material and performance test results for each part number and capability studies for all significant (SC) and critical (CC) characteristics – the report formats to be used are those which are required by the latest edition of the AIAG PPAP manual including a Part Submission Warrant
- These packages are to be electronically submitted to Procuring division’s Quality Engineer – documents that are not generated by the Supplier may be scanned
- These annual validation packages are due by the end of June each year
- Reminder notices will be issued in May of each calendar year
- If during the validation process discrepancies are found, an authorization to continue shipping must be obtained from Magna Seating Supplier Quality & Product Engineering thru use of a TASP
- It is the responsibility of the supplier to resolve any discrepancies to specifications prior to submission of the annual validation package to Procuring division’s Quality Engineer
- Failure to submit on time without obtaining authorization for an extension from the IWS QE will result in a charge back fee as outlined on Magna Seating’s Supplier Charge-Back Policy and is subject to a PPAP rating penalty on the performance scorecard

6.4 CUSTOMER-SPECIFIC SELF-ASSESSMENT REQUIREMENTS

- Per Customer-specific requirements and to ensure continuing compliance, all affected supplier’s and their tiers must comply with the requirements outlined in the latest revision of the following AIAG Manuals (http://www.aiag.org) as applicable
  - Heat treated components - CQI-9 Heat Treat System Assessment (HTSA)
  - Plated components - CQI-11 Plating System Assessment (PSA)
  - Coated components - CQI-12 Coating System Assessment (CSA)
  - Warranty – CQI-14 Consumer-Centric Warranty Management
  - Welded components - CQI-15 WSA – Welding System Assessment
  - Soldered components - CQI-17 SSA – Soldering System Assessment
  - Molded Components – CQI-23 – Molding System Assessment
• These AIAG evaluations are a self-assessment which are required to be conducted annually and includes applicable activities done at sub-tier levels. Example: If you weld and you have a part outsourced for heat treat (or painting, or plating) you should upload your CQI-15 Assessment and your sub-supplier CQI-9 Assessment.

• Completed self-assessments along with action plan for any areas of non-compliance (e.g. ranked “Not satisfactory”, “Needs Immediate Action”, “Fail”) are to be loaded to the Magna Supplier Portal under the section for “Supplier Documents” and the subsection “Supplier Certifications”. Notification of completion of this activity needs to be sent to your assigned Integram QE indicating areas of concern and corresponding actions to correct any unsatisfactory ratings.

• For both the Annual validation package and the CQI Self Assessments it is the responsibility of the supplier to resolve any discrepancies to specifications or the process prior to submission to Integram Windsor. Authorization to ship with specification discrepancies must be obtained from Magna Seating Engineering via a TASP.

• The Tier Two Supplier must cascade this requirement to all of their sub-tier Suppliers, and return a copy of all tiered Supplier’s completed HTSA/CSA/PSA assessment records to Magna Seating as evidence of compliance to the requirements, as well as all action plans to address any unsatisfactory ratings.

6.5 FMVSS 302 FLAMMABILITY REPORTING

• Magna is required to confirm engineering compliance of materials specified for use in motor vehicle occupant compartments with the requirements of Federal Motor Vehicle Safety Standard No. 302 - Flammability of Interior Materials.

• Magna Seating Division Plants request copies of FMVSS 302 compliance test results from Suppliers as part of annual validation requirements.

FCA

• Upon receipt from Suppliers, all component Data Record Sheets are summarized by Magna Seating and submitted to the OEM vehicle safety or regulatory affairs office for approval.

GENERAL MOTORS

• GM validation requests an annual compliance letter from Magna for the FMVSS 302 requirement, based on Supplier results.

MATERIAL AND LOGISTICS

7.1 PACKAGING

• It is the supplier’s responsibility to develop expendable containers and assist with the development of returnables as required. Both expendable and returnable pricing is to be provided when quoting.

• All information regarding component packaging MUST be supplied to the procuring division Materials Planner as well as Logistics Engineer, and concurred upon in order to help ensure the product is protected from damage and/or deterioration.

• Packaging Approval - basic container information including standard pack quantity, dimensions, stack height and weight must be provided in accordance with our Product Delivery Process (PDP) timing to ensure the appropriate stock storage space is allocated within the plant prior to production. A Packaging Approval form (FCD-0404) must be completed and returned to the Materials Planner and Logistics Engineer within the PDP timing mentioned above. Suppliers must
receive approval prior to shipping any parts to ensure that the expendable container meets sample packaging trials

- **General Shipping Conditions** - Material MUST be shipped in standard packs, unless otherwise requested by IWS. Suppliers are responsible for the cleanliness of all containers throughout their process

- **Damaged Containers** - Once returnable containers are implemented into the system, it is the supplier’s responsibility to ensure that any damaged containers are properly identified with red ‘damaged’ tags, segregated and communicated to the Procuring division’s Material Planner in a timely manner for either repair or replacement. Any replacement or repair costs for damaged containers due to Supplier mishandling will be at the expense of the Supplier and be charged back per the Magna Chargeback Policy

- Under no circumstances should material be shipped in damaged containers. If product is shipped in a damaged bin, the supplier is liable for any part damage, downtime/line stoppage due to safety concerns or any repacking costs incurred.

- **Returnable Container Inventory** - At various times IWS will conduct a physical inventory on returnable containers. It is expected each Supplier will contribute time and resources to effectively produce required information.

- **Alternative Returnable Packaging** - All suppliers must monitor the supply of returnable containers in order to ensure a continuous flow of material. In the event that there is an interruption in flow, the Supplier is required to have alternative packaging readily available. If alternative packaging is necessary to be used the procuring division’s Material Planner must be notified and concurrence must be given. A missed shipment resulting from a lack of returnable containers is unacceptable.

### 7.2 LOT TRACEABILITY

- All pertinent information (E.g. Mfg / Lot date and the date shipped) MUST be traceable to the unique serial number on the bar code label affixed to each shipping container

- Supplier shall record & maintain traceability information from finished goods back through the purchased raw materials /components – this requirement includes all subcontracted services and processing stages such as heat treating and coating thru to final assembly & shipping

- The **Bill of Lading** must list the entire range of lot / serial numbers

- A **Lot Traceability Plan** must be developed by the Supplier which describes how traceability/serialization information will be maintained and readily retrievable

### 7.3 SHIPPING LABELS

- Shipping bar code labels MUST be in compliance with the requirements outlined in the **AIAG B4–Parts Identification and Tracking Application Standard** and labeling guidelines per the **AIAG B3 Shipping/Parts Identification Label standards**

- Label placement, orientation, quality and quantities shall follow the guidelines contained in the **AIAG B10-Training Partner Labels Implementation Guide**

- Bar codes must be scannable for the following fields:
  - Procuring division part number
  - Quantity per container
  - Supplier Number (Procuring division specific)
  - Serial Number (unique per container)
• Serial numbers MUST be unique to each container and identical/same for the two labels on same container

• Master labels must be present when pallets with multiple boxes are shipped.

• Some suppliers may be required to send containers in which the labels must be in a loose or detachable state. This is due to the fact that the Bar Code Label must be removed from the original shipping container for scanning purposes. The label can be placed in a Plastic protector in a loose state so that it can be removed.

• In addition, the following information must also be completed on the shipping label (hand written is unacceptable)
  ✓ Engineering Change Level (suffix)
  ✓ Mfg/Lot Date – preference is calendar vs. Julian date
  ✓ Address of supplier, state/province & country on the last line of the label – in accordance with ‘country of origin’ regulations

• The supplier must be able to demonstrate how the serial number on the label correlates to the lot numbers of the parts manufactured. All pertinent information (E.g. Mfg / Lot date and the date shipped) MUST be traceable to the unique serial number on the bar code label affixed to each container

• Verify to ensure none of the following label issues occur:
  × Labels missing from containers
  × Labels placed in wrong location on container
  × Procuring division part number not used
  × Missing, or inaccurate information (e.g. mfg date or eng level missing)
  × Discrepancies between Eng Chg Levels & Letters
  × Old labels not removed from returnables (creates scanning errors and inventory errors)
  × Serial number is not unique – is repeated
  × Bars codes cannot be scanned

• All material will either be scanned upon receipt, placement into stock location, or at point of use. The procuring division must be able to scan all labels for lot traceability and inventory purposes, so the Supplier must have a process for routinely testing the readability of the labels prior to shipment. This test scan must be listed as part of the PFMEA and Control Plan

• Parts received with labels which cannot be scanned will be issued an RDR and returned at the supplier’s expense per the Magna Seating Charge-back Matrix
7.4 FIRST IN-FIRST OUT (FIFO)

- Imperative for robust Lot Traceability initiatives
- Suppliers MUST load trailers in accordance with FIFO fundamentals by placing newer material at the nose, or front of trailer and oldest at the back or tail
- Multiple Mfg/Lot dates on the same pallet are acceptable, but MUST be organized so the oldest material is on the top rows and the newer material is on bottom
- Mfg / Lot dates on barcode labels MUST be a minimum of ½” to improve the visibility for Material Handling personnel and cannot be hand written
- Parts received with an earlier FIFO date than current product may be subject to rejection. The supplier must receive authorization from the procuring division to ship earlier FIFO dates

7.5 SERVICE – PAST MODEL, SERVICE AND REPLACEMENT PARTS REQUIREMENTS

- Timely supplier response, superior quality and excellent delivery performance is essential to Customer satisfaction. Supplier scorecards will not only reflect production performance but service performance as well. Refer to Magna PO terms and conditions for service part responsibility. This is available at www.magna.com.
- Pricing and delivery of past model, service and replacement parts must comply with FCA LLC requirements and authorizations.
- There is no standard "lead time" for service requirements. Releases reflect directly the lead time provided by our customer. Parts are due as released.
- Material, tooling and / or capacity issues must be communicated to your material planning contact as soon as possible.
- All service parts MUST be labeled with 8 1/2 by 11 placards stating SERVICE PARTS. These placards MUST be placed on at least two adjacent sides clearly visible to material handlers.
• In special instances where tooling set-up is provided for, Supplier must accept industry standard set up cost as determined by our customer. In instances where extra costs are applied for, all necessary forms must be filled out and submitted in a timely manner. Supplier cannot jeopardize service shipments pending form completion or approval.

• The production Supplier must accept service life responsibility including, but not limited to maintenance of process control plans, operator descriptions, warranties, etc., for the running of all service parts. Integram may ask the production supplier to prepare and provide the PPAP documentation for past model, service and replacement parts in addition to the original PPAP package provided to Integram.

7.6 MATERIAL RELEASE GENERAL INFORMATION

• It is the responsibility of the Supplier to notify IWS Materials Planner if they do not receive their release, or if a problem is observed with the release once received.

• Suppliers must monitor current releases with previous release for increases/decreases that would affect your shipment.

• The Supplier has responsibility for performing a weekly Accumulated Ship Reconciliation upon receipt of their release. If variances appear with the accumulated ship status your respective Materials Planner must be contacted immediately. If production downtime or excessive freight has occurred as a result of cumulative shipping discrepancy, the supplier may be charged for down time and/or excessive freight.

7.7 SHIPPING TO RELEASE

• Material release quantities MUST be respected. Over-shipments and under-shipments CANNOT occur. In the event of over-shipments, IWS may opt to return the material to the Supplier at the Supplier’s cost without obtaining an RMA.

• In the event a supplier is not able to meet the material requirements indicated on the release, the supplier is required to contact their respective IWS Materials Planner who may request the Supplier to provide a Production Image detailing a catch-up plan which must include production projections by shift; by day; & shipment recovery plans.

• Daily status meetings may be required to review the production image projections to reality; shipment status; corrective action status. Meetings with Purchasing and Senior Management may also be required to reassess production capabilities, corrective actions as well as future business capacity.

7.8 SHIPPING DOCUMENTATION / CUSTOMS / NAFTA

• Each shipment must be accompanied by a packing slip for both inventory receipt and payment. The packing slip must be securely fastened to the container or be presented by the carrier upon delivery.

• Packing slips must contain the following information:
  (a) Supplier Name
  (b) Supplier Number
  (c) Release Part Number (IWS)
  (d) Part Description
  (e) Part Quantity

• All shipments from outside of Canada must be properly documented with a Canadian Customs Invoice. Canadian customs invoice must show the identical information as the packing slip.
Failure to supply correct documents could result in shipment being seized or delayed by Canadian Customs. Suppliers are to contact the procuring division to obtain information on who their Customs Broker is

- We MUST know who your organization’s Customs Broker is in the event that material needs to be returned (E.g. DMN’s for validation purposes) - The supplier's broker contact information must be forwarded to the appropriate Material’s department contact at the procuring division

- Updated NAFTA certificates must be supplied when new part numbers are added or an engineering change creates a new level part. Failure to comply will result in a penalty charge back. IWS MUST have on file with our Custom’s Broker the most recent North American Free Trade Agreement (NAFTA) for product that you supply

- Each year, Suppliers are responsible to provide IWS with completed North American Free Trade Agreement (NAFTA) Certificate of Origin attesting to the qualification of Suppliers merchandise as originating materials under NAFTA.

7.9 SHIPPING COMMUNICATION – Advanced Shipment Notification

- All suppliers MUST send advanced shipping notices (ASN) via electronic means and be EDI compatible

- Shipments must leave on time. Pickup windows will be established. The supplier is required to inform their IWS Materials contact whenever they are unable to complete the scheduled shipment.

7.10 FREIGHT

Premium Freight

- Premium freight expenses and setup resulting from a supplier not shipping on-time are the responsibility of the supplier. Costs recouped from the supplier will be done via a Supplier Chargeback (SCB)

Standard Freight

- All freight, payable by IWS (FOB Supplier), must be shipped in accordance with the purchase order.

- All pickups for dedicated runs must adhere to ship schedules & timing. Any delay in shipping to schedule must be authorized by IWS. Excess freight costs incurred due to waiting times; missed; late pick-ups; is the responsibility of the Supplier.

7.11 SUPPLIER RECEIVING DISCREPANCY REPORTING (RDR)

- This system is used by IWS to document any delivery non-conformance events as they occur as a result of a supplier action or lack thereof

- Receiving Discrepancy Report (RDR) is a method to communicate Supplier Delivery performance concerns. An RDR will be issued when a Supplier fails to comply with standard and documented Supplier delivery expectations. Infractions typically include the following:
  1) Short / Over Shipments
  2) Improper OR incorrect shipping documentation
  3) Incorrect or unscannable shipping labels.
• Depending on the severity of the documented issue, a formal supplier corrective action report (SCAR) may be required as a result of an issued RDR. Suppliers have thirty days (30) to reply to corrective action requests. SCARs not received by IWS or fully closed within the 30 day period will further impact scorecard ratings under the Responsiveness section.

• All RDR’s issued to Supplier’s which have financial cost charge backs attached will include a $200 administration fee (U.S.) PLUS any additional extra-ordinary costs incurred by IWS.

• Suppliers have thirty (30) days within which to dispute a RDR. All disputed RDR’s must be communicated in writing with supporting evidence.

7.12 OBSOLETE MATERIAL CLAIMS

• IWS policy for dealing with obsolescence has been established to ensure that all costs are minimized for both Supplier and IWS.

• Claims will be based upon FAB & RAW material authorization stated on material releases. Claims submitted for material beyond the released raw material authorization due to minimum buys will not be considered. Claims submitted for material beyond the released raw material authorization due to pack sizes will not be considered.

• Material that has been altered beyond the high Fab released authorization cannot be submitted as part of the raw material claim.

• Any material shipped beyond the released authorizations will be returned to the supplier at the Supplier’s expense.

• Obsolescence claims shall be submitted utilizing the IWS obsolescence form no later than 3 weeks after the final build date. Only claims received within this 3 week window will be reviewed by IWS. Claims must include supporting documentation. Further, IWS reserves the right to inspect and verify the actual material stated in the claim.

7.13 REQUESTING PREMIUM COSTS

• IWS will not issue purchase orders ‘in advance’ with respect to overtime charges or premium freight required to support releases. If the supplier anticipates incurring additional costs as a result of release fluctuations within an eight week lead time, the subsequent steps outline the process to be followed:

  1) It is the supplier’s responsibility to protect releases as received. Supplier should notify IWS with the data (Step Chart) to show release increases above 15% within an 8 week lead time, and state clearly that in order to support the latest release you will incur premium cost. The detail will need to specify what part numbers you will incur premium costs on and an explanation of whether it’s due to expedited freight or overtime costs. This email becomes notification of the full predicted incurred cost and clarifies Supplier intention to recover these costs.

  2) Submission must be received from the supplier no later than Tuesday 3:00 pm EST of the week the release was issued.

  3) The Supplier’s submission MUST include all anticipated costs throughout the entire supply chain.

  4) The amount submitted will be deemed the “Not to Exceed” value. Any costs beyond this amount will not be considered for reimbursement.

  5) Receive acknowledgement from IWS (Your Respective Planner) that they agree with the release increase.
6) At this point IWS Materials will contact our Customer with respect to the increase and obtain direction from them whether on whether they will adjust their build schedule to the 15% margin, to avoid premium costs.

7) If the customer chooses to continue with the increase above 15%, the respective IWS Materials Planner will confirm with the Supplier and give written authorization to proceed with expediting material or proceeding with required overtime.

8) All supplier OT must be referred to as “Break-in Charges” as the customer does not accept any invoices or backup documentation referencing the acronym OT. Supplier invoices are required for all break-in charges with a detailed breakdown of the labour costs (ie. dates, # of employees, hourly rate, number of hours worked on premium time, additional setup or actual break in charges). Only the premium portions of the labour costs are to be submitted for recovery. Costs for salaried heads or items considered to be already included in overhead are not recoverable from the customer.

9) Premium freight recovery requires a copy of the carrier freight invoice along with the corresponding packing slip (Note: invoices from the supplier will not be considered in lieu of the carrier freight invoice). The detail on the packing slip will be verified by the customer.

10) Deadline for supplier backup submission is two weeks after week incurred.

11) Suppliers will only be paid for premiums in which proper backup (per above instructions) was provided to IWS within deadline. Suppliers will only be paid once IWS receives payment from the Customer.

SUPPLIER MONITORING

8.1 PRODUCT QUALITY

- It is expected that a target for compliance of zero discrepancies be set for all goods and services supplied to Magna Seating and its divisions.
- Engineering Specification test failures shall be cause for the organization to stop production shipments immediately and take containment actions. The supplier shall notify the procuring division immediately outlining the plan to correct the issue and resume shipments. Suspect product shall not be shipped without sorting or reworking to eliminate the cause of failure.
- Purchased components found to be nonconforming through either line rejections, testing failures, failed inspection results, customer concerns, warranty and customer returns or obsolete material will require a formal corrective action response.
- Corrective Action reports will also be issued for non-compliance to requirements and standards.
- Magna Seating reserves the right to initiate sorting immediately upon determination of non-conforming stock and will not wait for “authorization” from the supplier.

Note: Should a response not be received from a supplier, any stated charges associated with the notice will be considered accepted by the supplier.

8.2 CORRECTIVE ACTION REPORT

- For product quality issues, Procuring division’s Quality Engineer and/or Novi SQE will initiate the request for a formal corrective action report by phone as well as forwarding a Supplier Issue Notification (SIN) report via e-mail.
- For packaging, labeling or shipping issues Procuring division’s Material Planners will initiate the corrective action request via an e-mail notice.
Supplier response to a nonconformance must be immediate in order for Procuring division to maintain Just-In-Time manufacturing and protect our customer against risk – effective containment must be implemented upon issue notification.

**Note:** the **SCAR**(kaizen) **number** must be referenced in the ‘subject’ area for all e-mails and for all file names which are electronically submitted as supplemental data for the Supplier Corrective Action Report (SCAR)

### 8.3 ROOT CAUSE ANALYSIS & PROBLEM SOLVING

- All Supplier Corrective Action reports (SCARs) must be completed using the kaizen format which follows a PDCA – Plan-Do-Check-Act methodology

#### PLAN Phase

- **3G Analysis** – Gemba (go to the shop floor), Gembutsu (see/examine the object) and Genjitsu (analyze facts and figures)
- **5W1H** (a tool used for better description of a problem) – What, When, Where, Who, Which and How
- **4M-1D** - brainstorm all potential contributing factors and classify them into categories (Man, Method, Material, Machine and Design) - use process of elimination to narrow down the phenomenon that created the problem
- **3-leg**ed 5 Why Analysis – question asking method used to trace in a linear manner the single root cause for any given phenomenon. It should address the following:
  1. **Direct** root cause: How did the problem occur?
  2. **Detection** root cause: How did the problem escape/ go undetected?
  3. **Systemic** root cause: Why didn’t your systems protect the customer – why did the possibility exist for this situation to occur?

- To supplement the root cause process other tools are available such as: Is/Is Not Table, Pareto Analysis, Histograms, Scatter Plots, DOE, Capability Studies, Affinity Diagram, Fault Tree Analysis

- Verify potential solutions by mocking up multiple parts and check mating components - utilize internal and external trial runs then select the **best solution(s)** – this must address the root cause identified for all 3 legs of the root cause analysis (direct, detection & systemic causes)

#### DO Phase

- **Implement the Countermeasures** - track these activities in order to know exactly when each of the countermeasures was implemented

#### CHECK Phase

- **Check the results** of the countermeasures to assess whether these actions were effective at resolving the issue & succeeded over time in preventing recurrence (validate with data) –

- **Replicate the failure** - test the accuracy of the root cause and countermeasure by turning problem on and off

#### ACT Phase

- **Prevention** – put in measures to sustain the countermeasures through standardization and then read the solution across to other applicable areas of the facility (assess impact to similar product or processes and implement similar controls where applicable) – **maintain and sustain**
8.4 CORRECTIVE ACTION RESPONSE TIMING

- Submittal of initial Corrective action plan, with complete interim and containment actions defined, will be required within 24 hrs of issue notification
- Root cause analysis (Direct, Detection, Systemic) results identified and submitted to procuring division’s Quality Engineer within 5 business days
- Permanent Corrective actions defined and reported within 10 business days (must address all 3 legs of the 5-Why root cause analysis)
- Implementation and verification of effectiveness of permanent actions and closure must be within 30 days

Note: repeat failure during verification or after closure will re-open the SCAR and begin the process over again

- E-mail communications not documented on the SCAR report will not be recognized as meeting the timing requirements – as well, if the SCAR report is not completed to the level required (e.g. submitting a root cause prior to completing 5-Why Report, or corrective actions provided are actually a listing of things you are investigating, etc) will not be accepted as meeting the timing requirements
- Requests for timing extensions related to corrective action implementation must be submitted in writing to the initiator of the corrective action report (Quality Engineer or Material Planner) - Failure to provide Procuring division with detailed corrective action reports within the specified time frame will result in penalty charges being incurred

8.5 SUPPLIER VISITS TO PROCURING DIVISION

- We encourage suppliers to come visit us to review their performance status and to provide their action plan updates – cameras or video equipment may not be used unless permission is granted by host seating division
- Whether it’s a courtesy call or mandatory technical support to address an issue, advanced notification prior to each visitation is required so that Procuring division personnel can confirm their availability or make alternate time arrangements - “drop-by-visits” are not recommended as you may be turned away. Contact Procuring division’s Quality Engineer or Material Planners directly to make an appointment for a visit (phone messages without a reply does not indicate availability so you may be turned away)
- Upon arrival enter your information into the Visitor’s log database which is located in the lobby of all visitor entrances. A visitor’s badge will be printed and must be worn at all times while on site. Upon leaving the facility the badge is to be placed in the log book to indicate that the visitor has left.
- All Suppliers will be expected to comply with Procuring division’s safety and environmental requirements. Safety shoes and glasses are mandatory if you plan on being on the plant floor. No restricted substances can be brought in. If representatives are disruptive or do not abide by all requirements and regulations, they will be asked to leave and will not be allowed to return

8.6 THIRD PARTY SORT PROCESS

- Magna Seating reserves the right to use an exclusive third party service(s) for the purpose of sorting and reworking suspect supplier product.
- This activity will be initiated whenever defective material needs to be purged or suspect stock needs to be qualified or reworked
• To minimize disruption no supplier sorting will be done at the procuring division’s facility – exceptions will only be for the purpose of keeping the lines running until replacement stock is available and will generally be performed by the procuring division’s employees at the supplier’s expense.

• Third party sorting may be required of all suppliers whose overall performance rating is below 80%, and can continue until an acceptable performance level has been achieved and robust containment or corrective actions have been implemented – a repeat failure/break of clean point will result in automatic initiation of third party sort.

• The supplier is required to provide a PO to the Third Party sorting company within 24 hours of the sort being initiated. Failure to provide a PO to the Third party sorting company within 24 hours will result in IWS issuing a PO to the Third Party sort company and debiting the supplier for all associated costs, processing fee, and penalty charges per the supplier charge back process.

• The supplier is obligated to provide written instructions to the Third Party sorting company for the subject sort activity.

• The supplier is responsible for ensuring the third party sort facility identifies sorted stock with the agreed upon green “Certified Material” label.

Note: Third party sort facilities are obligated to report their findings to the procuring division regardless of the fact that the supplier pays for this service, as this information is used to assess ongoing certification requirements and SPR status.

8.7 SUPPLIER PERFORMANCE SCORECARD

• Supplier performance shall be monitored & reported monthly through the following indicators:

  1) **Product quality** (PPM, third party sort, etc)
    a) Customer disruptions including field returns
    b) Special status customer notifications related to quality or delivery issues
    c) QMS registration status

  2) **Delivery performance** (including incidents of premium freight, mislabeling, poor packaging, incorrect quantities, incorrect/incomplete shipping documentation)
   Chargebacks for late, inaccurate or incomplete deliveries will apply (See Magna Chargeback Policy)

  3) **Responsiveness** - technical support, issue investigation, effective corrective action implementation, timeliness of SCAR activities & updated supporting documents, completeness of corrective action documentation, failure to comply to requested information.

  4) **PPAP Performance** - submission of complete & accurate package, approval first time through with deviations approved in advance to submission, and resolution to issues resulting in TASP and interim approvals. Chargebacks for late, inaccurate or incomplete PPAP will apply. (See chargeback policy)

• The scorecard rating system is weighted as follows:

  1) **Quality Rating - 50%**
    • PPM - goal is less than 13 per month for 2013, 12 per month for 2014, 11 per month for 2015 – point allocation for PPM is as follows:
Third Party Sort
QMS Registration Status
Customer disruptions (at the assembly plant or procuring division) including field returns
Special Status Customer Notifications e.g. ‘FCA Needs Improvement’ – Ford QI Revocation – SPR 1/2/3, etc.

2) Delivery Performance - 25%
- Shipped to releases and documentation
- Bar Code labels
- Shipping documentation accuracy (ASN, packing slips etc)
- FIFO
- Premium freight

3) Responsiveness - 20%
- 8-step written response completed on time
- Completeness of paperwork including supporting documents (FMEA, control plan, etc)
- Technical Support provided

4) Part Approval Status - 5%
- Approved PSW, PPSR or TASP received by Material Planners prior to receipt of parts
- Containers identified with special status (TASP, PPSR, PER, Yellow Dot, Third Party Cert, etc.)
- Electronic copy of PPAP package received by Seating Division’s Quality dept
- Extension of TASP or Interim Approval prior to expiration

8.8 SUPPLIER PARTNERSHIP REVIEW (SPR)
- Whenever quality and/or delivery concerns are not addressed effectively an additional rating is assigned as follows:
  - SPR 1 – minor risk, improvement required
  - SPR 2 – unacceptable risk, non-responsive to concerns
  - SPR 3 – operations may be jeopardized, potential New Business Hold status assigned
- SPR notification & escalation notices will be provided to the supplier in writing indicating the nature of the issue, date and the supplier contact(s) made
- Meeting(s) or conference call(s) will be initiated by the procuring division, and the level of management participation required by the Supplier will be defined by the SPR level assigned. The Supplier will be required to present root cause and problem solving analysis (outlining

<table>
<thead>
<tr>
<th>PPM Formulas - 2013</th>
<th>PPM Formulas - 2014</th>
<th>PPM Formulas - 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demerit Points</td>
<td>Demerit Points</td>
<td>Demerit Points</td>
</tr>
<tr>
<td>PPM</td>
<td>TRIM, FOAM Suppliers</td>
<td>PPM</td>
</tr>
<tr>
<td>&gt; 500</td>
<td>30</td>
<td>&gt; 275</td>
</tr>
<tr>
<td>&gt; 450 to 500</td>
<td>25</td>
<td>&gt; 225 to 275</td>
</tr>
<tr>
<td>&gt; 400 to 450</td>
<td>20</td>
<td>&gt; 175 to 225</td>
</tr>
<tr>
<td>&gt; 350 to 400</td>
<td>15</td>
<td>&gt; 125 to 175</td>
</tr>
<tr>
<td>&gt; 275 to 350</td>
<td>10</td>
<td>&gt; 75 to 125</td>
</tr>
<tr>
<td>&gt; 200 to 275</td>
<td>5</td>
<td>&gt; 14 to 75</td>
</tr>
<tr>
<td>&gt; 0 to 200</td>
<td>0</td>
<td>&gt; 0 to 13</td>
</tr>
</tbody>
</table>
actions, timing and responsibility) for the concern(s) for which actions have been initiated. The supplier may also be requested to perform a systemic review of their business operating system to assess overall effectiveness and to provide their Key Operating Indicators (KOI) used to monitor customer satisfaction and quality/delivery performance.

**SPR-1**

- Items warranting an assignment of an SPR-1 rating are as follows:
  1. Product safety or critical characteristics, as defined on the print, do not meet dimensional or capability requirements
  2. Production interruption due to suppliers product quality or part shortages
  3. Sort and/or rework due to supplier’s product quality
  4. Spill of supplier issue to customer facility resulting in a customer complaint
  5. One of the top five poorest performing suppliers for the month
  6. A monthly overall performance rating of less than 80%
  7. Design responsible suppliers do not provide data/drawings according to design release dates or do not respond to corrective action measures to improve drawing/data timing

- The supplier’s Materials and/or Quality Manager will be required to attend the meeting
- *Failure to resolve identified issues to the satisfaction of Procuring division Management will result in escalation of the supplier rating to an SPR-2 status*

**SPR-2**

- Items warranting an assignment of an SPR-2 rating are as follows:
  1. Product safety concerns remain open after prior month’s SPR-1 meeting - no permanent corrective action (PCA) defined
  2. Quality or delivery issue remains open at the JIT without a PCA defined
  3. Two of three prior months as one of the five poorest performing suppliers
  4. SPR-1 status for more than 60 days

- The Supplier’s Plant Manager, Materials Manager and Quality Manager will be required to attend the meeting. Magna Seating’s Group office (Purchasing, Quality) may also attend
- At initiation of SPR II, the Purchasing group will request the Supplier to provide a report which will establish the Supplier’s financial stability
- *Failure to resolve identified issues to the satisfaction of Procuring division’s Management will result in escalation of the supplier rating to an SPR-3 status and will require a mandatory level 5 PPAP resubmission of product involved in the concern*

**SPR-3**

- Items warranting an assignment of an SPR-3 rating are as follows:
  1. Product safety issues remain open without significant progress in resolving the concern (e.g. containment action not effective, repeat occurrence, lack of responsiveness)
2) Repetitive delivery issues resulting in serious material shortages after the SPR-2 meeting
3) Three of four months as one of the five poorest performing suppliers (below 80% and without significant improvement)
4) SPR-2 status for more than 60 days
5) Customer Yard Hold resulting from a Supplier issue

- The Supplier’s President, Plant Manager, Operations Manager, Materials Manager and Quality Manager will be required to attend Meeting(s) or conference call(s). Participation by Group Office may include VP of Operations, Purchasing Director, Buyer, Quality Director and Procuring division’s GM/AGM, Quality & Materials Manager

- Failure to resolve issues discussed at the SPR-3 meetings may result in New Business Hold status for the Supplier and could result in removal from the Approved Supplier List

Removal from SPR

- Once all outstanding issues have been satisfied, the supplier will be informed in writing that they have been removed from the SPR process (a step down process will be used e.g. SPR-3 reduced to SPR-2)

- Criteria for removal from SPR status (a step down process will be used e.g. SPR-3 reduced to SPR-2)
  1) All corrective action plans have defined permanent actions completed and approved for closure
  2) No repeat issues or third party sorts
  3) Consecutive months with a positive trend on the Overall Supplier Performance Summary (must be 80% minimum for two months)

- Timeframe from which to measure improvement is initiated after the supplier has sufficiently demonstrated that the issue(s) have been resolved, regardless of the SPR level they are at. Corrective action reports must be fully completed and incoming product defect free.

8.9 SUPPLIER INFRACTIONS AND CHARGE-BACK POLICY

- It is our expectation that all suppliers ship 0 defects, and deliver on time 100%

- The purpose of Magna Seating’s Charge-back Policy is to encourage good quality and delivery practices and recover the cost of poor Supplier performance – the procuring division will charge the amounts specified in this policy if these objectives are not met

- Suppliers will be accountable for warranty costs due to negligence, process and supplier design issues

- Suppliers will also be accountable for all costs associated with unauthorized material use, product quality issues, as well as any interruption in material supply to Integram Windsor resulting in a shut down, due to labor, utility disruptions or equipment failures.

- All suppliers must have a contingency plan to mitigate risk

- No negotiations of PPM or charge backs will be reviewed until 8D corrective actions are fully completed
GENERAL INFORMATION

9.1 MAGNA SUPPLIER PORTAL ACCESS AND REQUIREMENTS

- The purpose of the Magna Supplier portal is to manage quoting activity as well as provide an efficient and effective tool to help Magna manage supplier contact information and certification documents. It also enables the Supplier to access required reference documents (forms, manuals, work instructions).

- To be identified as an approved supplier across Magna North America, your company must have an active registration. By being registered and gaining access to the portal, you will be able to document your company’s capabilities and certifications to Magna and receive communications regarding RFQ’s and assessments.

- If you are not registered on our Supplier Portal please follow the instructions below in the order given:

  **Registration Page must be completed and approved prior to requesting a password.**

  1) **To Register:** Go to [http://supplier.magna.com](http://supplier.magna.com) and Select the Supplier self-registration link

  2) Once you have completed a registration page, **wait until you receive an email that it has been approved**

  3) Then Log In at: [http://supplier.magna.com](http://supplier.magna.com) (User Name is your email address)

  4) 1st time for password, click “Forgot Your Password”

  5) log in using the temporary password sent to you. Then change it under User Settings. (minimum of 7 characters).

  6) Add additional locations and contacts (i.e., Quality, Emergency, etc) under the tab "Locations and Contacts" - **Reference the help documents for adding contact information located on the right hand side of the home screen under Supplier Training Manuals.**

  7) Click the tab “Supplier Documents” and upload your TS and ISO certificates as well as CQI self-assessment documents - **Further directions on how to upload these items can be found under “Quick Links” on the main page of the Supplier Portal** - Each Registration Certificate (TS-16949, ISO-9001, ISO 14001) and CQI document needs to be uploaded individually, as this site will help the Supplier and Magna track these documents using the expiration dates – reminder notification will be sent by an email 30 Days before expiration

  If you require assistance, please contact [msp.system@magna.com](mailto:msp.system@magna.com) or contact Corinne Horner at [Corinne.horner@magna.com](mailto:Corinne.horner@magna.com)

9.2 IN CONCLUSION…..

This manual serves to enhance our partnership by:

- ensuring our supplier understand our quality/delivery requirements & business objectives
- establishing a reliable, consistent & equitable system for the selection of suppliers and for the monitoring of their performance
- engaging our suppliers in a joint commitment to achieve total customer satisfaction and to develop sustainable competitive advantage
- nurturing relationships with companies that are similarly committed to total quality and continuous improvement which is essential to our growth and prosperity
9.3 ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAR</td>
<td>Appearance Approval Report</td>
</tr>
<tr>
<td>AIAG</td>
<td>Automotive Industry Action Group</td>
</tr>
<tr>
<td>APQP</td>
<td>Advanced Product Quality Planning</td>
</tr>
<tr>
<td>ASN</td>
<td>Advance Shipment Notification</td>
</tr>
<tr>
<td>CSA</td>
<td>Coating System Assessment</td>
</tr>
<tr>
<td>DMN</td>
<td>Defective Material Notice</td>
</tr>
<tr>
<td>DVP&amp;R</td>
<td>Design Verification Plan &amp; Report</td>
</tr>
<tr>
<td>EDI</td>
<td>Electronic Data Interface</td>
</tr>
<tr>
<td>EMS</td>
<td>Environmental Management System</td>
</tr>
<tr>
<td>FICO</td>
<td>First In – First Out</td>
</tr>
<tr>
<td>FMEIA</td>
<td>Failure Mode &amp; Effects Analysis</td>
</tr>
<tr>
<td>FMVSS</td>
<td>Federal Motor Vehicle Safety Standard</td>
</tr>
<tr>
<td>FPSC</td>
<td>First Part Shipment Certification</td>
</tr>
<tr>
<td>FRAF</td>
<td>Forever Requirements Activity Report</td>
</tr>
<tr>
<td>HTSA</td>
<td>Heat Treat System Assessment</td>
</tr>
<tr>
<td>IMDS</td>
<td>International Material Data System</td>
</tr>
<tr>
<td>IWS</td>
<td>Procuring division Seating</td>
</tr>
<tr>
<td>JIT</td>
<td>Just In Time</td>
</tr>
<tr>
<td>KAI</td>
<td>Key Activity Indicator</td>
</tr>
<tr>
<td>KOI</td>
<td>Key Operating Indicator</td>
</tr>
<tr>
<td>MSA</td>
<td>Measurement System Analysis</td>
</tr>
<tr>
<td>MSDS</td>
<td>Material Safety Data Sheets</td>
</tr>
<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
</tr>
<tr>
<td>OEM</td>
<td>Original Equipment Manufacturer</td>
</tr>
<tr>
<td>PCI</td>
<td>Purchasing Change Improvement Plan</td>
</tr>
<tr>
<td>POCN</td>
<td>Purchase Order Change Notice</td>
</tr>
<tr>
<td>PER</td>
<td>Product Evaluation Run</td>
</tr>
<tr>
<td>PDP</td>
<td>Product Delivery Process</td>
</tr>
<tr>
<td>PDCA</td>
<td>Plan, Do, Check, Act</td>
</tr>
<tr>
<td>PO</td>
<td>Purchase Order</td>
</tr>
<tr>
<td>POCN</td>
<td>Purchase Order Change Notice</td>
</tr>
<tr>
<td>PPM</td>
<td>Parts Per Million</td>
</tr>
<tr>
<td>PPA</td>
<td>Process Planning &amp; Audit</td>
</tr>
<tr>
<td>PPSR</td>
<td>Pre-Production Sample Report</td>
</tr>
<tr>
<td>PSA</td>
<td>Plating System Assessment</td>
</tr>
<tr>
<td>PSW</td>
<td>Part Submission Warrant</td>
</tr>
<tr>
<td>RDR</td>
<td>Receiving Discrepancy Report</td>
</tr>
<tr>
<td>SCAR</td>
<td>Supplier Corrective Action Report</td>
</tr>
<tr>
<td>SIN</td>
<td>Supplier Issue Notification</td>
</tr>
<tr>
<td>SOW</td>
<td>Statement of Work</td>
</tr>
<tr>
<td>SPR</td>
<td>Supplier Partnership Review</td>
</tr>
<tr>
<td>SQE</td>
<td>Supplier Quality Engineer</td>
</tr>
<tr>
<td>SREA</td>
<td>Supplier Request for Engineering Approval</td>
</tr>
<tr>
<td>TASP</td>
<td>Temporary Approval for Substitute Part</td>
</tr>
<tr>
<td>3G</td>
<td>3G – Gemba, Gembutsu, Genjitsu</td>
</tr>
<tr>
<td>4M1D</td>
<td>4M1D – Man, Method, Material, Machine</td>
</tr>
<tr>
<td>5W1H</td>
<td>5W1H – Who, What Where, When, Which &amp; How</td>
</tr>
</tbody>
</table>

Revision Summary:

<table>
<thead>
<tr>
<th>Revision</th>
<th>Manual</th>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>IWS</td>
<td>IWS Manual - Revised section for Root Cause Analysis/Problem Solving - added use of kaizens and the PDCA cycles with an explanation of each phase - updated acronyms</td>
<td>January 2014</td>
</tr>
<tr>
<td>5.0</td>
<td>Global</td>
<td>Replaced Magna's North American Manual with Magna's Global Supplier Requirements (rev April 2014) and added global manual introduction letter issued to supply base</td>
<td>July 2014</td>
</tr>
<tr>
<td>Revision</td>
<td>Supplier</td>
<td>Changed Chrysler to FCA - added CP-023 Molding System Assessment to annual requirements - added reference to Supplier Connect changed Magna Seating Logo to Magna</td>
<td>May 2015</td>
</tr>
</tbody>
</table>
Supplier Manual Acknowledgement
forward to Quality Department of Procuring Division

We the undersigned have reviewed, understand, and will comply with the requirements outlined in the Magna Supplier manual and Addendum 10:

<table>
<thead>
<tr>
<th>Supplier Name:</th>
<th>Location:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Manager's Name</th>
<th>General Manager's Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality Manager’s Name</th>
<th>Quality Manager’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations Manager’s Name</th>
<th>Operations Manager’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Materials Manager’s Name</th>
<th>Materials Manager’s Signature</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Concerns regarding the requirements are to be addressed in writing to Magna Purchasing