

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	1 de 14

Interplex-México

Manual de Calidad de Proveedores / Supplier Quality Manual

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Historial de Cambios

Revisión	Fecha	Autor	Descripción del cambio
03	08/May/14	Iván Mariscal	Se modifica la parte de evaluación de proveedores actualizando el rango de calificación.
04	19/Mar/15	Manuel Hdz.	Changes on Types of Suppliers based on evaluations results (score card)
05	05/Mar/2018	Jaime Ramirez	<ul style="list-style-type: none"> • Add Cause-Effect analyses • PPAP update annual and ISR update PSW • Process audit to validate risk preventive • Product Traceability add notes. • Escalation process

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	2 de 14

SUPPLIER QUALITY MANUAL

PURPOSE

The purpose of this document is to define clearly Interplex-México requirements with respect to the Quality Assurance System and also to the environmental regulations compliance of its actual and potential suppliers as well as in a joint way to achieve and support the continual improvement in all the activities and operations between both companies. The goal of this quality management system is to achieve the “Zero-Defect” target.

This document defines Interplex-México specific requirements that should be added in the supplier system. For that reason, the present document shall be controlled according to the suppliers internal policies for document and data control. When modifications to any of the herein described documents exist, Interplex-México Purchasing Department shall inform suppliers as soon as possible, this with the end to keep always the same information level.

SCOPE

The requirements defined in this document are applicable to all suppliers of direct materials for a final product. Any deviations to these requirements must be agreed to in a jointly signed addendum.

DEFINITIONS

Customer: It refers to Interplex-México.

Supplier: It refers to Interplex-México Suppliers.

Direct Raw Material: Material or component that is incorporated to the final product with the exception of packing.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	3 de 14

SUPPLIER DEVELOPMENT UNDER ISO9001

The minimum requirement is certification according to ISO 9001 by an accredited certification body for direct suppliers.

Certification according to IATF 16949 is required for automotive and service parts suppliers. If not yet accredited to IATF 16949, those suppliers shall have a plan to achieve certification. Suppliers who have certification from a third party, for example in ISO-9001 or ISO IATF 16949: 2016, shall send a valid copy of their certificate to our Purchasing Area.

SUPPLIER EVALUATION

All direct approved suppliers will be included in the Interplex-México Supplier Scorecard and performance Process. According to the supplier qualification, a report will be submitted from the Interplex-México Purchasing Department.

In the mentioned evaluation, the following criteria will be considered, Interplex-México reserves the right to carry out audits and assessments on quality management systems, processes and products, with the Interplex-México customer or a third party appointed by Interplex-México if necessary, after prior notification.

- **Concern Incoming**
- **Concern Line Incidents/ Quality**
- **PPM's Target non**
- **DC_CAR Late Response**
- **Concern recurrence}**
- **OTD's**

Audit Planning.

The supplier shall issue an audit program which defines the regular execution and the Extent of internal product and process audits.

CQI/Qualification of Special Processes.

The AIAG (Automotive Industry Action Group) is publisher of the CQI guidelines (Continuous Quality Improvement). CQI formats are available at www.aiag.org. For suppliers and subsuppliers dealing with special processes according to AIAG, Relevant CQI-guidelines shall be considered

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	4 de 14

Quality Certificates

For each delivery of direct material, the supplier must attach to the physical delivery (have same information sent via email to the Purchasing representative at Interplex-México) the corresponding quality certificate, which should contain, as a minimum, the following information:

- 1.- Supplier Name.
- 2.- Lot Number / Heat Number (when applies) / Manufacturing Date.
- 3.- Part Number from Interplex-México / Revision Level.
- 4.- Test and Inspection results made to the product. (need to be declared the standard norm used for inspection.)
- 5.- Quantity

This is mandatory for resins, metals and by request on all other components. About the type of Tests and Inspections reported in the Quality certificate, these must be approved by the Quality Assurance dept of Interplex-México.

Interplex-México reserves the right to audit the implemented actions in the supplier's facilities to validate the CAR closing.

In case of no answer from the supplier, Interplex-México will decide of the disposal of the product, the type of inspection and the expenses generated will be charged to the supplier, taking in consideration that the hourly cost for material segregation will be US\$15.00/HR. In which case and if necessary, the supplier's presence will be requested in our facilities.

RMA's

The suppliers have a maximum of 48 hours to submit RMA after the NOK inventory provided and any other required documentation (credit note, charge back,). Any delay will be reflected in the quarterly evaluation.

Identification of certified parts or packaging after a complaint.

The clean point information shall be determined and communicated at once to the person in charge at Interplex-México. In addition, it shall be documented in the 8D-report
Subsequent deliveries from warehouse and work in progress which have been subjected to 100% inspection or testing due to complaint shall be marked or labelled.

The type of marking on the individual part needs to be agreed with the Interplex-México receiving plant, described on the requested "Certified Parts" label or form, and included on the 8D Report and provide an answer according to:

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	5 de 14

Supplier corrective actions.

Timing below shall be met by Supplier when NCMR are raised.

D1,D2,D3 within **24 Hours**.

D4 , D5, D6, D7,D8 within **10 Days**.

30 Days to complete and submit evidences and actions

60 Days to gran the effectiveness of the actions implemented

Every time an NCMR is open for NOK material coming from Supplier, administrative and sorting expenses shall be charge back to Supplier

PPAP level I Annual Validation.

Supplier must agree in providing annual update PPAP to Interplex-Mexico with an annual PPAP Level I validation update for the materials required. The organization shall retain PPAP information at appropriate locations and make it available for Interplex-Mexico in case of needed.

Interplex- Mexico monitoring the PPAP validation in acontrol sheet document

Continuous Improvement.

The supplier must show continual improvement in its quality and deliveries according the quarterly evaluations.

Communication with Interplex-México Customers

Interplex-México expects suppliers to be available for technical support within the context of discussions at customers, on their own premises, or at Interplex-México. Communication concerning Interplex-México products between the supplier and customers of Interplex-México shall exclusively take place in agreement with Interplex-México.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	6 de 14

Feasibility Study.

The supplier shall analyze all technical documents (e.g. drawing, specifications, environment, statement of work, commodity specific and customer specific requirements ...) as well as the Purchasing Terms & Conditions and this Quality Directive as part of a contract review.

- The requirements are to determine and confirm:
- The feasibility of the design (for suppliers with design responsibility),
- The ability to manufacture,
- The ability to measure, achieve and sustain process capability for special characteristics.

Status of Sub-suppliers and Purchased Parts.

If the supplier assigns orders to a subsupplier, the subsupplier shall also fulfill the requirements of this Quality Manual.

This includes the implementation of a quality planning and feedback system with the sub-suppliers according to the requirements of section 2 APQP
Advanced Product Quality Planning.

Contingency Plans

Suppliers shall identify and evaluate internal and external risks to all manufacturing processes and infrastructure equipment which are essential to maintain production output and ensure that Interplex-México requirements are met. Suppliers shall develop a contingency plan for each supplier manufacturing/shipping location which may disrupt product flow Interplex-México
Interplex-México shall be informed immediately in the event of an actual disaster (e.g. interruption from externally provided products, services, recurring natural disasters, fires ...). In this case, suppliers shall provide Interplex-México access to Interplex-México tools and/or their replacements, Suppliers are required to regularly review and update each contingency plan, at a minimum annually. The contingency plan should include comprehensive testing of the recovery actions and should address potential gaps in component/raw materials.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	7 de 14

Logistics

In principle, Interplex-México establishes a logistics agreement with the supplier. Regardless of whether such an agreement was made or not, the following minimum requirements apply unless a variance has been explicitly Agreed.

Measurement and Improvement of Supplier Quality Performance

It is the expectation of InterpleMéxico that suppliers will achieve and maintain zero defects and 100% on time delivery.

Planning of packaging including labeling.

The supplier is responsible for packaging their components and to improve packaging if it is not fit for its intended purpose.

The packaging must be designed in such a way to ensure that it is sufficiently robust to withstand shipment by land, air, sea, etc. and arrive on time without damage or contamination.

The planned type of packaging must be agreed with Interplex-México on the supplier's initiative in sufficient time before PPF/PPAP or series production delivery Corrosion prevention

Product Traceability

All raw material, components, and sub-components must be traceable to the manufacturing lot number. The manufacturing lot number could be identified by an alphanumeric character.

Supplier must have a system that allows him to track the raw material and components with the manufacturing lot number of the finished product.

The products must be marked or some other suitable method chosen to ensure that in the event of a defect being discovered, all other products which could be defective can be identified and blocked until subsequent measures have been agreed between the SUPPLIER and Interplex-Mexico . These requirements must be cascaded down to the complete supply chain.

Product specific traceability requirements will be detailed out in additional documents.

Product Identification

Product identification must include the following points:

- Interplex-México part number and/or Supplier that matches the PO.
- Part description that matches the PO.
- Lot Number.
- Any special petition requested by Interplex-México.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	8 de 14

Retention Periods

The supplier shall define and maintain retention periods for documents, records and retain samples.

Special Characteristics .

Interplex - México describes product and service requirements on the technical drawings, specifications and relevant purchasing documents

All characteristics shall be complied with. There are characteristics with higher risks which require special consideration. These are the “Special Characteristics”.

Deviations in these characteristics can seriously affect product safety, product lifetime, assembly capability, product functionality, quality and can violate official or legal

Regulations Special Characteristics are specified by

Interplex - México and documented on the drawings and/or specifications.

They are to be identified as well, from the risk analysis of the supplier, e.g. from the product and/or process FMEA, based on the supplier’s experience and knowledg.

- Special Characteristics as defined by Interplex - México are categorized as follows:
- Critical Characteristics (CC)
- Significant Characteristics (SC)
- High Impact (HI)
- Operator Safety (OS)

Changes to Product or Process:

The supplier shall have a documented process to control and implement changes that impact product, product realization and manufacturing

Process A “Change” refers to all situations referenced in AIAG

PPAP Manual The effects of any change, including those changes caused by sub-suppliers, shall be assessed, verified and validated to ensure compliance with Interplex-México requirements prior to implementation.

The evidence of risks associated with the change shall be documented and assessed. Any intended change, deviating from the PPAP approval, shall be communicated as soon as possible to Interplex-México to allow for a timely review and approval

by Interplex-México. Suppliers shall submit a written request by sending the designated form IXFC361.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	9 de 14

Product Safety

Product safety and product liability are particularly significant for companies in the automotive industry. The supplier has producer responsibility (product liability) for their parts and processes, including parts or processes from sub-suppliers, which Interplex-México purchases to build their final products. Therefore, in order to prevent product liability risks, it is the responsibility of the supplier to do everything in their power, in terms of organization and technical matters, to guarantee the product safety.

The supplier shall have a documented process for the management of “product safety” related products and manufacturing processes.

Control of Reworked and Repaired Products.

For rework and repair of products, the supplier shall have a documented process and conduct a risk analysis. Any repair or rework not included in the agreed Control Plan during the PPAP phase is considered as a process change according to Changes to Product or Processes. Interplex-México shall be notified via the requested form designated IXFC041 “Deviation Request”. Written Interplex-México approval is required prior to implementation.

Deviation Approval.

In case of deviations from the specification, the following forms shall be used and submitted to Interplex Mexico using IXFC041

All deliveries based on a deviation approval shall have additional identification labels on all load carriers.

Disposition of Nonconforming Products.

The supplier shall have a documented process for disposition of nonconforming products not subject to rework or repair. For product not meeting requirements, the supplier shall verify that the product to be scrapped is rendered unusable prior to disposal, unless otherwise agreed with Interplex-México. Any component produced for supply to Interplex-México, not sent directly to Interplex-México or an authorized third party shall be destroyed inhouse prior to recycling in order to make sure that the component may never be used in the intended application.

This includes scrap, parts produced during production trials, engineering sampling, and all setup and inspection pieces. The supplier shall not divert nonconforming product to service or other use without prior Interplex-México approval

Suppliers shall guarantee conformance to this practice and shall guarantee that any and all sub-suppliers will conform to this practice.

Evidence of communication of this policy to subsuppliers shall be retained and presented to Interplex-México when requested.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	10 de 14

Delivery of the material safety sheet (MSDS & IMDS)

Direct Supplier shall have access to MDS data base and submit corresponding MDS to any new material provided to Interplex-Mexico

Suppliers must make sure that materials purchased by Interplex-México are declare based on the Global Automotive Declarable Substance List (GADSL) on the IMDS porptal.

TYPE OF SUPPLIERS

According with the evaluation results, suppliers will be qualified under the following concepts:

Meets Expectations: Preferred supplier 95% to 100%.

Below Expectations.- Supplier is performing and achieve the speciation 80% and 94%.

Poor Performance – Supplier must provide a detailed Improve action plan within 2 weeks of receipt of scores, Escalation process shall be initiated by Purchasing(IMX). Business may be diverted from suppliers needing improvement until improvement is made 70% to 79 %.

Face Out .- (<69%).- Supplier must provide a detailed corrective action plan within 5 days after of receipt of scores. Visits and Audits if is necessarily will be planned. Non-response and/or lack of improvement may initiate escalation process. Weekly monitoring by IMX Under 70%.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	11 de 14

SUPPLIER SOCIAL RESPONSIBILITIES AND ETHICS

The **INTERPLEX MEXICO** partner and its representatives shall uphold high ethical standards in order to fulfil their social responsibilities and be regarded as successful in the market. The following principles shall apply:

LAW-ABIDING BEHAVIOR

The *Interplex-México* partner agrees to comply with all applicable national laws and other regulations in the context of its business operations at any time.

INTEGRITY

All business interactions shall be governed by high standards of integrity. The *Interplex-México* partner shall not have any tolerance towards bribery, corruption, extortion, fraud and embezzlement and shall prohibit them in any form. All business processes must be transparent and properly reflected on *Interplex-México* partners' business records.

PROHIBITION OF IMPROPER ADVANTAGES

Bribes or other means of obtaining an illegal or improper advantage shall not be offered, accepted as a promise or received. Procedures shall be put in place to monitor and implement these requirements in order to ensure adequate compliance with anti-corruption laws.

FAIR COMPETITION (ANTITRUST LAW)

The *Interplex-México* partner shall respect fair competition and conduct every business activity in compliance with the applicable antitrust legislation and provisions.

AVOIDING CONFLICTS OF INTEREST

Decisions shall only be taken on the basis of objective, business-related considerations and not influenced by personal interests.

PROTECTION OF CONFIDENTIAL INFORMATION

Business secrets and personal information shall only be used to the extent to which they are necessary and permitted and they shall be protected appropriately.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	12 de 14

MARKING OF CUSTOMER'S

Property where Applicable

All tools for manufacturing, testing or inspection equipment belonging to Interplex-México or

customers of Interplex-México

shall be permanently marked to clearly show that they are property of Interplex-México or of the customer of Interplex-México.

These tools shall only be used for Interplex-México, products unless an authorization in writing exists.

Failure to comply with tool identification requirements will result in delay or non-payment

EXPORT/IMPORT LEGISLATION

Applicable legislation and regulations relating to export and import control as well as customs shall be adhered to.

DISCLOSURE OF INFORMATION

Information on the company's business activities, structure, financial situation and performance shall be disclosed in accordance with the applicable provisions and usual business practices in the sector. The falsification of records and misrepresentation of conditions and practices in the supply chain are not acceptable.

INTELLECTUAL PROPERTY

Intellectual property rights shall be respected; transfer of technology and knowhow must be done in a manner that protects intellectual property rights.

RESPONSIBLE PROCUREMENT OF RAW MATERIALS

The Interplex-México partner shall adopt appropriate measures which ensure to the best of its knowledge and belief that raw materials used in the manufacture of its products (tantalum, tin, tungsten, gold, etc.) do not directly or indirectly serve as means to finance or support armed groups that commit serious human rights violations.

The Interplex-México partner shall exercise due diligence with respect to the origin and chain of custody of such minerals and shall disclose these precautionary measures to *Interplex-México* upon request.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	13 de 14

REGULATORY AND STATUTORY COMPLIANCE

The supplier shall apply the legal requirements of the production location and of the country of use (if named by Interplex-México) during the APQP phase to all products, processes or services (internal and external).

Effective environmental management, which ensures compliance with the respective applicable environmental regulations and improves continuously and efficiently the environmental conditions of the supplier, is an essential contribution towards supply security.

Escalation process for SUPPLIERS

In case of quality or logistic problems (e.g. non-successful complaint management of the SUPPLIER, long-term and/or multiple cases of missed target agreements, customer complaints due to defective purchased parts, ...) occur repeatedly at the SUPPLIER's, they are included in the Interplex-México. escalation process. The aim of the process is to implement suitable actions at the SUPPLIER's so that the products and materials delivered meet Interplex-México. requirements again. Depending on the duration and seriousness of the problems, they are classified in one of three escalation levels.

The basic procedure for each level is as follows:

- Analysis of the escalation cause and of the problem.
- Agreement on an action plan to eliminate the causes of the escalation, in order to flowget the quality back in line with targets.
- Implementation of the action plan.
- Monitoring/tracking of the action plan.
- Depending on the effectiveness of the actions, either escalation or deescalation takes place to the next level.

If the subjects and actions are not processed efficiently by the SUPPLIER, Interplex-México retains the right to compel the SUPPLIER to obtain external help from a competent service provider.

Rev	Fecha:	Numero	Dueño	Pag:
05	05/Mar/2018	MCP001	Gerente de Materiales	14 de 14

Escalation Model

“Supplier/Purchased Parts” Suppliers providing Interplex-México with products and services that do not meet quality, delivery, or planning commitments and expectations are subject to enrollment in the escalation process to expedite improvement actions and visibility.

Escalation level 1: Escalation level 1 is activated when the problems cannot be processed satisfactorily within the scope of normal workflow. In the course of the escalation process, the SUPPLIER has to set up an effective problem-solving process and present this to the Quality department of the Interplex-México production plant regularly on site.

Escalation level 2: In escalation level 2 the action plan is monitored on site at the SUPPLIER's to make sure it is adequate and effective. This shall take place within the context of quality and/or logistics audits. The results of the onsite analysis are documented in an action plan. The SUPPLIER is responsible for implementing the actions and has to report to those responsible about the respective status at regular intervals.

Escalation level 3: If the quality requirements in escalation level 2 are not fulfilled, the SUPPLIER is classified under escalation level 3.

This means the

SUPPLIER is blocked for new inquiries and placement of orders for all Interplex-México world-wide. Interplex-México also reserve the right to forward the information to the SUPPLIER's certification authority.

At escalation level 3 the existing problems are analyzed by a Interplex-México team on site. The SUPPLIER must be prepared to support all activities of the Interplex-México team.

The SUPPLIER's general management must ensure the compliance with all the actions agreed.

In order to guarantee the implementation and effectiveness of the planned actions, progress is supervised and documented on the basis of regular reviews.

Escalation level 3 ends with de-escalation. If a SUPPLIER support project does not run successfully and the reason for this is caused by the SUPPLIER, a repositioning of this SUPPLIER in the portfolio of Interplex-México Purchasing will take place