



Revere Plastics Systems, LLC  
*A Revere Industries Company*

# Supplier Quality Agreement

Clyde, OH

Poplar Bluff, MO

Brampton, Ontario

Jeffersonville, IN

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# 1. Administrative Elements

## 1.1. Scope

This agreement defines the Quality Agreement between the parties identified below. It defines the commitment both parties make to ensure that their respective products and services satisfy the quality and regulatory requirements called out in this agreement. Both parties agree to cooperate in the success of this agreement.

This agreement does not define the forecasting, ordering, delivery, or pricing requirements for either party.

This agreement does not define the specifications for the products or services covered.

## 1.2. Parties to the Agreement

This Quality Agreement is executed between the party providing goods or services to Revere Plastics, hereafter referred to as Supplier and Revere Plastics Systems, LLC hereafter referred to as Customer. Supplier agrees to provide the goods or services defined below in full conformance with the requirements of this agreement.

Information, data and drawings shared between both parties are strictly confidential and are supplied on the understanding that they will be held confidentially and not disclosed to third parties without the prior consent of the other party.

## 1.3. Definitions, Abbreviations, and Acronyms

The following terms are included in this agreement.

Accuracy – a statement of how close a measured value is to the actual (true) value. See also, precision.

Complaint – a written, electronic, or oral communication that alleges deficiencies related to the identity, quality, durability, reliability, safety, effectiveness, or performance of a device after it is released for distribution.

Concession – permission to use or release material that does not conform to specified requirements. A concession is frequently called a Use-As-Is (UAI) disposition.

Customer – Revere Plastic Systems, LLC

Directed Procurement – a case in which the Customer directs the Supplier to obtain a good or service from a particular third party. In a directed procurement, the Customer is responsible for product qualification Supplier qualification, *etc.* The Supplier should track and report the third party's performance metrics to the Customer.

FIFO – First In, First Out

IM&TE – Inspection, measuring, and test equipment

Precision – a statement of the repeatability of a measure. See also, accuracy.

Product – product is the output of a process and includes, but is not limited to, goods, services, software, documentation, and consulting.

QMS – Quality Management System

Repair – action on nonconforming material to make it acceptable for the intended use.

Rework – action on nonconforming material to make it conform to the requirements.

Scrap – action on nonconforming material to preclude its originally intended use.

Supplier – the party delivering product or services to the customer. The term supplier includes, but is not limited to, contractors, consultants, sister organizations, and parent organizations.

#### **1.4. Reference Documents**

ISO 9001 *Quality Management Systems - Requirements*

ISO/TS16949 *Quality Management Systems – Particular requirements for the application of ISO 9001 for automotive production and relevant service part organizations*

#### **1.5. Products and Services Covered By This Agreement**

This agreement pertains to the products/ services awarded through the quoting process.

#### **1.6. Quality Management Systems**

The Supplier shall maintain a Quality Management System that conforms to the requirements of ISO 9001.

Should the Supplier determine that a requirement of ISO 9001 is not appropriate or not applicable to the product delivered, the Supplier shall notify the Customer within thirty days of making that determination.

Revere Plastics Systems encourages our suppliers to work towards either ISO 9001 certification for non-automotive related suppliers or TS 16949 certification for automotive related suppliers.

#### **1.7. Use of Third Parties**

If the Supplier uses a Third Party Supplier, other than directed procurement, to manufacture, package, label, test, or release product provided to the Customer, the third party shall apply the requirements of ISO 9001 and ISO/TS16949.

#### **1.8. Term of the Agreement**

This Agreement shall become effective and binding upon the date of the final signature and shall remain in effect until 2 years after the last delivery of any product by the Supplier to the Customer, unless the Customer specifically requests an extension of the Agreement. Either party may terminate this Agreement by giving six months written notice to the other party.

## **1.9. Assignment**

Neither party shall have the right to assign any or all of its rights or obligations under this agreement without the other party's prior written consent, which shall not unreasonably be withheld. The foregoing notwithstanding, prior written consent shall not be required in connection with a merger, consolidation, or a sale of all or substantially all of party's assets to a third party, except if such merger, consolidation or sale is with a competitor of the other party.

## **2. Compliance**

### **2.1. Specifications**

100% on time delivery and 100% quality compliance is required. The Customer shall define the specifications for the product the Supplier provides. This could take many forms including drawings, reference to commercial specifications, identify of brand names, and standards. The specifications may be paper documents, electronic documents or other appropriate media.

The Supplier undertakes to deliver product in full conformance to the agreed specifications provided by Customer engineering or quality department.

### **2.2. Specification Changes**

Changes to specifications are made by mutual agreement between the Supplier and the Customer. In addition to agreement of the change, the Supplier and Customer will determine the effective date of the change.

Changes will be coordinated, initial production will be identified and where applicable PPAP'd to the customer.

When the specifications include references to brand names, the Supplier and Customer will mutually agree on the implementation of any changes made in the brand name of the product.

### **2.3. Activity by Regulators, Notified Bodies, or Certification Bodies**

The Supplier shall promptly notify the Customer of any inspection or audit results that jeopardize any certification by a 3<sup>rd</sup> party per the ISO / TS guidelines.

The Supplier shall promptly notify the Customer of any inspection or audit findings that impact the safety, effectiveness, conformity, or availability of product the Supplier provides to the Customer.

### **2.4. Third Party Quality Agreements**

The Supplier shall have a Quality Agreement with Third Party Suppliers used for production, packaging, testing, processing, or release. Upon the Customer's request, the Supplier will provide a copy of the Quality Agreement.

### **2.5 Laws and Regulations**

The supplier agrees to comply with all applicable local, state and federal laws and regulations, ruling and executive orders.

### **2.6 Safety Data Sheet (SDS)**

The supplier shall provide current Safety Data Sheets (SDS) with product when applicable. It is the supplier's responsibility to report all updates to Safety Data Sheets to the customer and provide updated copies in a timely manner.

### **3. Manufacturing, Packaging, and Labeling**

#### **3.1. Environmental Controls**

If environmental conditions could reasonably be expected to have an adverse effect on product quality, the Supplier shall establish and maintain procedures, including maintenance, adjustment, and inspection to adequately control these environmental conditions.

The Supplier shall keep records of these activities and make them available to the Customer upon request.

#### **3.2. Personnel**

If contact between personnel and the product could reasonably be expected to have an adverse effect on product quality, the Supplier shall establish and maintain requirements for the health, cleanliness, personal practices, and clothing of personnel to adequately control this contact.

The Supplier shall keep records of these activities and make them available to the Customer upon request.

#### **3.3. Equipment**

The Supplier shall ensure that all equipment used in the manufacturing process for product is appropriately designed, constructed, placed, and installed.

The Supplier shall establish and maintain schedules for the adjustment, cleaning, and other maintenance of equipment to ensure that manufacturing specifications are met.

The Supplier shall keep records of these activities and make them available to the Customer upon request.

#### **3.4. Automated Processes**

If the Supplier uses computers, software, or other automated methods as part of the production process, the Supplier shall validate the computer software for its intended use. The validation process shall create a validation protocol (describing the planned activities) and a validation report (documenting the outcome of the planned activities). All software changes shall be similarly validated prior to use.

The Supplier shall keep records of these activities and make them available to the Customer upon request.

#### **3.5. Inspection, measuring, and test equipment**

The Supplier shall ensure that all inspection, measuring, and test equipment (IM&TE) used in the manufacturing process for product is suitable for its intended purposes and is capable of producing valid results. Suitability includes limits for accuracy and precision.

The Supplier shall establish and maintain schedules for the calibration, adjustment, cleaning, and other maintenance of equipment to ensure that manufacturing specifications are met. Calibration standards used for IM&TE shall be traceable to national or international standards.

The Supplier shall keep records of these activities and make them available to the Customer upon request.

### **3.6. Process Validation**

If the output of a Supplier's process is not fully verified by subsequent inspection or test, the Supplier shall validate the process with a high degree of assurance, typically demonstrating a  $C_{pk} \geq 1.33$ .

The validation process shall create a validation protocol (describing the planned activities) and a validation report (documenting the outcome of the planned activities). All validated process changes shall be similarly validated prior to use.

The Supplier shall keep records of these activities and make them available to the Customer upon request.

When the Supplier ships products produced using a validated process, the Supplier shall include process documentation showing the date the process was operated, the name of the operator, the identity of major equipment used, the identity and calibration recall date of the IM&TE used in the process, and the recorded inspection results demonstrating that the product is suitable for its intended purpose.

#### **3.6.1 Identification and Traceability**

Identification and traceability for product shall be maintained throughout the supplier's production and handling processes, from raw materials to finished goods. Lot control must be maintained throughout the process.

### **3.7. Labeling Operations**

All labels shall be pre-approved before start of production. Labels should contain the following Bar-Coded and textual information on each carton that we receive. If you send palletized materials, each box must have a label that identifies the information individually as well as a master pallet label that contains this same information for the entire pallet quantity.

#### **Required Barcodes & Text:**

- Reverse Item # (P Prefix) ½" – 1" Barcode
- Description (no barcode)- ½" -1"
- Quantity per box (Q Prefix) - ½" – 1" Barcode (Vertical Orientation)
- PO Number (No Prefix) - ½" – 1" Barcode (Vertical Orientation)
- Revision Level (Components Only) (No Prefix)
- Lot Number (No Prefix)
- Serial Number (S Prefix) 9 digits (3 Alpha & 6 Numeric) - 1/2" – 1" Barcode





Each Serial Number must begin with your assigned 3 digit Alpha Character code which will be provided by your Revere Buyer. The remaining 6 digits should be of a numeric value unique to each carton for a total of 9 alphanumeric characters.

### 3.8. Packaging Operations

The supplier shall ensure adequate packaging to provide preservation of product during handling, shipping and storage.

Packaging shall be approved by the customer prior to the first shipment.

## 4. Documentation and Records

### 4.1. Engineering Specification Records

The Supplier and Customer will agree on which party maintains selected portions of the Engineering Specification Records required by ISO/TS16949. The responsibilities are defined in the following table.

The Supplier is responsible to submit production part approval submissions to the Customer, as specified at the launch of the product.

Engineering Specification Record Responsibility

Record	Applicable	Supplier	Customer	Specific Records
Product Specifications	X	X	X	X
Process Specifications	X	X		X
QA Procedures and Specifications	X	X		
Product Inspection Results	X	X	X	X
Labeling Specifications	X	X	X	X
Packaging Specifications	X	X	X	X
Maintenance procedures and methods	X	X		
Maintenance Records	X	X		X

Upon the request of the Customer, the Supplier shall make all records available within two working days.

#### **4.2. Record Retention**

Records required by agreed upon quality system will be maintained by the Supplier's defined record retention system, with exception to the Engineering Specification Record, the Customer requires that these records are retained for a minimum period of 20 years after active life of the product.

### **5. Storage and Shipment**

#### **5.1. Storage**

The Supplier shall establish and maintain procedures to control storage areas and stock rooms to prevent mix-ups, damage, deterioration, contamination, or other adverse effects.

The Supplier shall ensure that all products are stored to facilitate proper stock rotation and that product is retrieved from stock using *First In, First Out (FIFO)* methodology.

#### **5.2. Shipment**

The Supplier shall ship products to the Customer using agreed shipping methods to prevent the damage or deterioration of the product. The shipment methods may be augmented by specified requirements and standards. 100% On time delivery is required.

#### **5.3. Expedited Shipments**

The supplier shall notify the customer in the event of expedited / premium freight.

### **6. Change Control**

#### **6.1. Change Requests**

If the Supplier requests to change a document, specification, drawing, *etc.* under the Customer's control, the Supplier shall document the request including the specific change, the reason for the change, the benefit derived from approving the request, the loss incurred from disapproving the request, and the anticipated lead time before the change is reflected in the product.

The Customer shall promptly acknowledge receipt of each change request.

The Customer shall make a decision to accept or reject the change within ten working days of acknowledged receipt. For accepted changes, the Supplier and Customer will work together to develop a plan to implement the change and product approval submission requirements. All product changes are required to have a production part approval submission to the Customer. Initial Shipments of product change shall be properly identified as agreed between supplier and customer for clean point.

#### **6.2. Deviations**

If the Supplier needs to deviate from a document, specification, drawing, *etc.* under the Customer's control, the Supplier shall document the deviation request including the specific

deviation, the reason for the deviation, and the period (time, lots, *etc.*) the deviation will be in effect. All deviation requests must be approved prior to shipping any product.

### **6.3. Substitutions**

No substitution of material or accessories may be made without written permission from the customer.

### **6.4. Other Changes**

The Supplier shall promptly notify the Customer of changes, other than those documented above, in the product or service so the Customer may determine whether the changes may affect the quality of a finished product. Changes as identified per the AIAG PPAP guidelines are subject to PPAP approval as agreed between the supplier and the customer. Change points shall be identified as agreed between the supplier and the customer.

## **7. Non-Conformances, Corrective Action, and Complaints**

### **7.1. Disposition of Non-conforming Material**

The Supplier shall segregate, investigate, and disposition all nonconforming material. The Supplier is authorized to make rework and scrap dispositions without Customer authorization for product at the Supplier's premises. Concession or repair dispositions require the Customer's written authorization.

The Supplier is required to provide the Customer with disposition of any nonconforming product located at the Customer facility within fifteen days. If the Customer has not received a disposition from the Supplier within fifteen (15) days of the nonconformance notification, the Customer will ship the product back to the Supplier at the Supplier's expense for full credit or initiate a sort at the Supplier's expense.

The Supplier will be responsible for a three percent (3%) fee of the total cost of shipment for each material return notification processed by the Customer within seven (7) week days.

The Supplier shall be responsible for all associated freight costs for returns and replacement materials.

The Supplier will be responsible for any third party sorting costs that are associated with a supplier nonconformance. The Customer will chose the third party sorting company and sorting schedule to resolve any nonconforming material supplied by the Supplier.

The Supplier will be responsible for any line down or schedule change fees associated with a nonconformance.

The Supplier shall notify the customer if any suspect / non-conforming material has shipped to the customer.

## **7.2. Corrective Action**

### **7.2.1. Supplier Initiated Corrective Action**

The Supplier should initiate corrective action for all detected nonconforming material regardless of disposition. Corrective action shall include the following steps.

- 1 Determining the cause(s) of nonconformity
- 2 Evaluate the need for action to ensure the nonconformity doesn't occur
- 3 Determine the action needed to prevent reoccurrence
- 4 Implement the action needed to prevent reoccurrence
- 5 Review the effectiveness of the corrective action

The Supplier shall keep records of these activities and make them available to the Customer upon request.

### **7.2.2. Customer Initiated Corrective Action**

The Customer may initiate corrective action for the Supplier when the Customer identifies a nonconformity after receipt of the Supplier's product, for late shipments or for missing required documents.

The Supplier shall initiate corrective action upon receipt of the Customer's initiation. The Supplier's Corrective Action shall include the following steps.

- 1 Determining the cause(s) of nonconformity
- 2 Evaluate the need for action to ensure the nonconformity doesn't occur
- 3 Determine the action needed to prevent reoccurrence
- 4 Implement the action needed to prevent reoccurrence
- 5 Review the effectiveness of the corrective action

The Supplier shall report the results of the corrective action to the Customer within fifteen (15) working days of initiation. When the corrective action is not completed within fifteen (15) working days, the Supplier shall provide a status report every five (5) working days until the corrective action is completed. The Supplier will be responsible for a one hundred and fifty dollar (\$150.00 USD) charge for every five (5) working days a corrective action is past due without any progress updates.

The Supplier shall keep records of these activities and make them available to the Customer upon request.

The Supplier may be responsible for administrative fees related to the processing and tracking of rejected product.

The Supplier may be responsible for any line down charges or sort fees incurred by the Customer due to issues caused by product provided by the Supplier or due to late delivery from the Supplier.

## **7.3. Complaints**

### **7.3.1. Supplier Received Complaints**

If the Supplier receives a complaint related to the product, or any similar product, the Supplier provides to the Customer, the Supplier shall promptly notify the Customer.

The Customer will enter the complaint into the Customer's Complaint Management System and review and evaluate the complaint to determine whether an investigation is necessary. The Customer will notify the Supplier of the decision to investigate or not.

If the Customer requires the Supplier's assistance in the investigation, the Customer will follow the Customer Initiated Corrective Action described above.

### **7.3.2. Customer Received Complaints**

If the Customer receives a complaint related to the product the Customer supplies, the Customer will enter the complaint into the Customer's Complaint Management and review and evaluate the complaint to determine whether an investigation is necessary.

If the Customer requires the Supplier's assistance in the investigation, the Customer will follow the Customer Initiated Corrective Action described above.

## **7.4 Score Card**

Supplier Scorecards are available and will be provided as required. A Quality Score will be calculated based on delivery, quality, required documentation, and late SCAR's.

## **8. Audits**

### **8.1. Customer Audits of Supplier Facilities**

The Supplier shall allow the Customer, or its authorized representative, to perform audits of the Supplier's facilities, systems, documentation, and other requirements related to this agreement.

Audits shall be conducted at mutually agreed dates and times.

The Supplier and Customer will agree upon methods to protect intellectual property such as confidentiality agreements, non-disclosure agreements, *etc.*

### **8.2. Customer Audit Findings**

When conducting audits at the Supplier's location, the Customer will issue an Audit Report of the audit's conclusion.

The Supplier shall issue a plan to determine the correction, cause, and corrective action for each finding within thirty days of the Audit Report's issue date.

### **8.3. Auditing Third Party Suppliers**

The Supplier shall allow the Customer, or its authorized representative, to perform audits of the Third Party Supplier's facilities, systems, documentation, and other requirements related to this agreement.

Audits shall be conducted at mutually agreed dates and times.

The Supplier, Customer, and Third Party Supplier will agree upon methods to protect intellectual property such as confidentiality agreements, non-disclosure agreements, *etc.*

## **9. Conflict Minerals and RoHS**

### **9.1 Conflict Minerals**

Although Revere is not a SEC filing organization and therefore not subject to reporting requirements, RPS requires all its partners, subcontractors, and suppliers to implement equally high standards. RPS does not utilize or accept the use of any such Conflict Minerals, mined in the Conflict Region of the Democratic Republic of Congo and adjoining countries, in any of its products and communicates this policy to its suppliers. Under this policy, all Revere Plastics Systems suppliers who manufacture components, parts and/or products containing tin, tantalum, tungsten or gold (3T&G) are requested to have and implement their own Conflict Mineral Policy.

### **9.2 RoHS**

The supplier shall comply with Restriction of Hazardous Substance (RoHS); Directive 2002/95/EC and provide documented certification if requested.

Revision History		
Rev	Date	Description
C	9/28/16	Added: last line in 7.1: The Supplier shall notify the customer if any suspect / non-conforming material has shipped to the customer. Added Revision block
D	10/20/16	Removed 1.6.1 and 1.6.2 and added Revere Plastics Systems encourages our suppliers to work towards either ISO 9001:2008 certification for non-automotive related suppliers or TS 16949:2009 certification for automotive related suppliers. Removed referenced to years on ISO and TS standards; 2.1 added 100% on time delivery and 100% quality compliance is required. ; 2.2 added Changes will be coordinated, initial production will be identified and where applicable PPAP'd to the customer.; 2.3 removed; formal visits, <i>etc.</i> of any regulator, notified body, or certification body acting in a formal capacity. In the US this includes, but is not limited to the Environmental Protection Agency and the Occupational Safety and Health Administration. It also includes corresponding State Agencies.; Upon the Customer's request, the Supplier shall disclose the results of any inspections or audits and the associated cause and corrective action. Changed The Supplier shall promptly notify the Customer of any inspection or audit results to Results that jeopardize any certification by a 3 <sup>rd</sup> party per the ISO / TS guidelines.; 3.6.1 Added Identification and traceability for product shall be maintained throughout the supplier's production and handling processes, from raw materials to finished goods. Lot control must be maintained throughout the process. 3.7 Added Labels shall be pre-approved prior to production; 3.8 Added The supplier shall ensure adequate packaging to provide preservation of product during handling, shipping and storage. ; Packaging shall be approved prior to the first shipment. ; 4.2 – changed record retention from permanent to minimum 20 years after active product life ; 5.2 Added 100% On time delivery is required ; 5.3 Added Expedited Freight notification ; 6.1 added Initial Shipments of product change shall be properly identified as agreed between supplier and customer for clean point. ; 6.4 added Changes as identified per the AIAG PPAP guidelines are subject to PPAP approval as agreed between the supplier and the customer. Change points shall be identified as agreed between the supplier and the customer. ; 7.1 Added The Supplier shall notify the customer if any suspect / non-conforming material has shipped to the customer.; 7.2.2 added Supplier corrective action for late shipments and missing documents added The Supplier may be responsible for administrative fees related to the processing and tracking of rejected product. The Supplier may be responsible for any line down charges or sort fees incurred by the Customer due to issues caused by product provided by the Supplier or due to late delivery from the Supplier.; 7.4 Added Score Cards; 9.0 changed from Signatures to Conflict Minerals and RoHS; Added 10 for signatures.
E	1/13/17	Added 2.6 SDS requirements, modified 3.8 packaging pre-approval by customer; added 7.1 supplier freight cost responsibility; modified 7.4 score card provided as required
F	3/16/17	Added confidentially to 1.2
G	3/30/17	Removed 10 – signature blocks