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Rev 21 – Revised Clause 1.2.1
1.0 General Overview

This Supplier Guidance Manual along with the Supplier Agreement establish the basis for the working relationship between Mekra Lang North America (MLNA) and its suppliers. The receipt of the Supplier Agreement states that the supplier accepts the terms and conditions. Any changes to these terms must be submitted in written form and approved by appropriate MLNA management personnel. It is a key component of all purchase orders and contracts. Any changes to the terms and conditions in this manual must be documented in written form, and approved by the Purchasing Manager, Quality Manager, or a member of Executive Management. Interests and confidentiality of services, including process technology information, rendered shall be supported through signed confidentiality agreements between both parties. It is a goal of Mekra Lang to promote a mutually beneficial relationship that will lead to the support and promotion of Mekra Lang’s Quality and Environmental policies.

Mekra Lang North America’s Quality Policy is to:
- Provide products that meet customer specifications and applicable requirements
- Ensure our products meet all applicable safety and regulatory requirements
- Meet customer expectations for the right product, in the right quantity, on time
- Continuously identify risks and opportunities that impact our customers and/or business and mitigate or leverage them as appropriate

We must achieve this by:
- Establishing, maintaining and continually enhancing our Quality Management System in compliance with ISO 9001:2015 and IATF 16949:2016 to achieve business excellence
- Setting and reviewing quality goals and objectives on a regular cadence and taking appropriate action as required
- Continually developing our workforce and suppliers to understand and achieve our customer expectations
- Empowering our workforce to proactively contribute to the effectiveness of our Quality Management System and business excellence
- Applying risk and feasibility assessment tools to identify and mitigate risk and ensure business decision effectiveness
- Drive continuous improvement in our products, processes and business systems

1.1 Supplier Goals

In order to support Mekra Lang policies, suppliers must continually strive for progress within their own quality and environmental systems. Important goals for suppliers should include:
- Delivery of product quality that is conforming and aesthetically acceptable
- Delivery Precision and Flexibility (100 % on time delivery)
- Continual improvements in cost reduction and process refinement (Six Sigma Methodology)
- Application of Constructive Input from Mekra Lang and Other Sources
- Integration of Beneficial Technologies and
- Minimization of Failures and Maximization of Reliability
- Quality System development and implementation for efficiency and effectiveness
- Ability to meet all customer stated requirements
- Open Communication on issues that advance or detect product and process management
- Develop and maintain their own supplier base, requiring compliance and certification of QMS/EMS.

1.2 Quality and Environmental Requirements

Mekra Lang considers a vital requirement of supplier capability to include a functional and progressive Quality and Environmental Management system. During selection of suppliers, special consideration is given concerning the status of the supplier’s quality and environmental management systems.

1.2.1 Quality Management System Development

Per IATF 16949:2016 clause 8.4.2.3, MEKRA Lang North America is committed to working with our supplier base to develop, implement and improve their quality management systems (QMS). The following steps are required for achieving this requirement:

- Compliance to the fundamental quality management system requirements of ISO 9001 through second-party audits by MLNA Supplier Quality team members;
- Certification to ISO 9001 through third party audits by an accredited certification body;
- Certification to ISO 9001 with compliance to other customer-defined QMS requirements, such as VDA 6.3, through second-party audits by MLNA Supplier Quality team members;
- Certification to ISO 9001 with compliance to the IATF 16949 Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers (MAQMSR) through second-party audits by MLNA Supplier Quality team members;
- Certification to IATF 16949 through third party audits by an accredited certification body.

Suppliers are fully responsible for the quality, fit-form-function, safety and delivery of their product. Therefore, it is critical that suppliers develop and incorporate a quality management system according to their specific industry sectors. MEKRA Lang North America encourages its supplier base to develop its quality management system in accordance with known industry standards.

This clause applies to suppliers of the organization who are providers of production materials, production or service parts. Also included are providers of heat-treating, painting, plating or other finishing services. Indirect and service providers adding no manufacturing value are not included in this requirement (e.g., distributors, logistics, sequencers, packaging, tooling and equipment). It is the responsibility of the supplier to update MEKRA Lang
North America on the status of QMS certification. Supplier quality management systems may be validated through qualified audits as follows:
- Third party certification by approved industry organizations (i.e., ANAB, IAOB)
- Audit results from second party automotive or trucking industry customers
- Mekra Lang supplier on-site audits to minimum automotive quality management system requirements (MAQMSR) per IATF 16949.

*Note:* Suppliers whose organizations provide calibration or laboratory services shall provide a system that is certified to ISO/IEC 17025 standards.

### 1.2.2 Supplier Manual Responsibility

MEKRA Lang provides each supplier guidelines via electronic means. MEKRA Lang will notify suppliers electronically when changes take place. It is the responsibility of each supplier to monitor changes that affect the business of both companies.

### 2.0 Purchasing Control and Aspects

The Supplier Agreement, along with other necessary release orders and written agreements form the basis of the business agreement and acknowledgement of services rendered between Mekra Lang North America and its suppliers. The purchaser expressly intends that these, and only these terms and conditions shall exclusively govern this purchase request. Suppliers are responsible for ensuring:
- Ability to receive and transmit orders electronically (Supply Web, EDI, ASN, etc.)
- The delivery of quality product throughout its lifetime (Zero nonconformances)
- Delivery Precision and Flexibility (100% on time)
- All other contractual obligations
- On-site product / process verification at subcontractor premises as deemed necessary by customer

The seller shall keep strictly confidential the terms of this Supplier Agreements. This commitment prevents confusion, leading to a long term, mutually beneficial work relationship. Any deviation (including subcontracted work) to agreements by the supplier shall be in written form, and approved by appropriate Mekra Lang representatives. The handling of equipment leased to suppliers is maintained through agreement using the Equipment Lease Agreement (LM 246). The agreement assures ownership of items provided by Mekra Lang or its customers, and prevents confusion regarding tool and/or machinery responsibility. Any deviation to this agreement must be in written form, and signed by qualified Mekra Lang and supplier representatives.
2.1 Patents
Seller warrants that the sale or use of the goods and/or services covered by a purchase order does not infringe or contribute to the infringement of any patent, copyright, trademark, service mark or other intellectual property of any third party. Seller covenants that it shall defend, indemnify and hold harmless purchaser from and against every infringement suit in any country and any and all liability arising there from, including but not limited to attorney’s fees and court costs.

2.2 Tool & Equipment Conditions
All suppliers storing and/or utilizing tools and equipment used exclusively for Mekra Lang or its customers must submit a tooling report upon request. This requirement includes any tool(s) provided by Mekra Lang, and tool(s) provided by the supplier. Use of the MEKRA Lang form LM 255 (Appendix B) (or suitable method approved by the LM purchasing or quality manager) should be utilized by the supplier to submit tool reports, including tool maintenance and tool condition updates. In the event that a tool must be moved for service or resourcing, the tool maintenance record is to be submitted. Tool making (using tags) shall be followed when requested. Tool maintenance not recorded properly is assumed to have been neglected.

2.3 Product Delivery
The supplier is responsible for delivery of product meeting part specifications, due dates and quantities. The supplier is required to monitor and track on time delivery (supplier and customer). Tracking data must be retained, and available upon request. Suppliers are required to assure delivered product is conforming prior to shipment.

2.4 Overdue, Under-shipment, and Over-shipment Procedures
Costs associated with past due, under and over shipments will be charged via debit based on MLNA supplier charge back process to the supplier. These costs may include expedited freight charges, customer fees, sorting fees, which are tracked by the supplier, and available upon request. Over shipments greater than 10% will be returned to the supplier at the supplier’s expense, or held under recommendation by Materials.

2.5 Special Shipments
A supplier’s first delivery must be marked on all pallets (or containers, as appropriate) on at least two sides as “First Production Delivery”. A supplier’s first delivery of a revised item must be marked on all pallets (or containers, as appropriate) on at least two sides as “New Revision Delivery”. This identification requirement applies to revisions made with or without part number alterations.

2.6 Packaging, Preservation and Identification
The supplier is responsible for adequate packaging of delivered items to protect all part properties. Care must be taken by the supplier to ensure preservation of part properties during storage and transit. This must include proper identification and labeling. Additionally, all product must be shipped to Mekra Lang on heat treated pallets.
pallets must have an ISPM 15 compliant mark indicating the pallet is heat treated and must be visible from a distance of several feet.

Labeling guidelines under standard industry practices, unless specified by customer. Knowledge of and implementation to industry standards (ie: AIAG, etc.), along with documentation should be present.

2.7 Packaging Responsibility
This requirement shall be included in the obligations of the Seller under the Supplier Agreement, unless otherwise clearly noted that the supply of packaging materials shall be provided by Mekra Lang. In cases in which the packaging materials are supplied by Mekra Lang, the supplier is responsible for evaluating and monitoring the packaging to ensure protection of all part properties during storage and transit. Suppliers should follow AIAG requirements as a default guideline.

2.8 Labeling
This information should be on at least two sides of the container, on adjacent corners in conformance to industry labeling practices. Suppliers are encouraged to develop bar code labeling techniques for product shipments. The print on the identification labels should be legible from 10 feet. Old labels should be removed from the containers. Containers shall be clearly identified with part numbers, description, supplier, tracking number, and P.O number. An example of the required label is included in Appendix A.

2.9 Security and Terrorism
It is the responsibility of the suppliers to guarantee the safe arrival of materials and products from either domestic or overseas sources. The Supplier is directed to establish policy and procedure to safeguard the control and management of such activities. The Supplier shall also establish certification to Customs Trade Partnership against Terrorism (C-TPAT).

3.0 Quality Control Requirements
The control and delivery of products to specifications is critical to the manufacturing of mirror systems. It will be the responsibility of the suppliers to provide products and services that are developed when the manufacturing and distribution process is in statistical control. Supplier shall comply with issues discussed in section one of this manual relevant to quality system development, implementation, and system management. Supplier shall promptly communicate to MEKRA Lang out of control events or processes, suggested product, subcontractor or service changes, initiate correction action, and notify purchasing and/or the quality manager in writing prior to shipment.

3.1 Quality and Environmental Document Requirements
Suppliers to MEKRA Lang shall provide products or services that meet the following requirements:
- Advanced Product Quality Planning (APQP) documentation that has been developed and implemented.
3.2 Engineering Design Responsibility

All suppliers are responsible for product specifications and requirements as communicated by Mekra Lang. If the supplier is not informed of the application of the part, it is not responsible for design application responsibility. If the project granted to a supplier entails design responsibility or input, the supplier is responsible for all information submitted. In addition, Suppliers are responsible for suggesting precautionary measures and/or part and process modifications to prevent failures.

3.3 Process Capability Requirements

It is the intent that all suppliers provide products and services from a process that is operating in control, proven through statistical means. The organization shall use the PPAP/APQP requirements to verify purchased products all applicable quality and design specifications. Purchased parts are to also be verified in accordance with Customer and MLNA Engineering specifications (when applicable).
3.4 **Nonconforming Product (Fault Report) Requirements**

The supplier shall take full responsibility for the quality of delivered parts. All nonconforming product concerns shall be given priority in resolving issues, including visits to customer site to resolve issues. If deemed necessary by Mekra Lang, the supplier must be prepared to make the following provisions:

- Use All Available Resources to Determine the Cause of Failure
- Define and Implement Effective Corrective or Preventive Action
- Halt Production and/or Delivery or potential delivery of identified product
- Support the product or service through sorting, customer visits, and end user visits related to issue

As part of the nonconforming product procedure, Mekra Lang may perform sorting and evaluation of parts in order to support internal production scheduling (including sorting, evaluation, rework or replacement at customer’s site), all related costs shall be forwarded to the supplier in the form of a debit based on the MLNA supplier charge back procedure. Mekra Lang will take precautions as possible to limit associated costs. If it is not necessary to perform sorting and evaluation to support internal production scheduling, suppliers will be given the option to provide sorting resources or authorize MEKRA Lang to sort, at which time an estimate of rework costs will be determined.
APPENDIX A: Label Example
# APPENDIX B: SUPPLIER TOOL STATUS REPORT

<table>
<thead>
<tr>
<th>Name</th>
<th>Contact Ph. #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>Address</td>
</tr>
<tr>
<td>Tool Description</td>
<td>Date Acquired</td>
</tr>
<tr>
<td>Tool Type</td>
<td>Tool Mat’l</td>
</tr>
<tr>
<td>Serial #</td>
<td>Tool Owner</td>
</tr>
</tbody>
</table>

**Part Numbers Produced by Tool**

<table>
<thead>
<tr>
<th>Total Number of Parts Produced by Tool</th>
<th>As of Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # of Parts Produced by Current Supplier</td>
<td>As of Date</td>
</tr>
<tr>
<td>Annual Usage</td>
<td>Location of tool</td>
</tr>
<tr>
<td>Major Repair Done</td>
<td>Date</td>
</tr>
</tbody>
</table>

## PROJECTIONS FOR SCHEDULED TOOL MAINTENANCE WITHIN THE NEXT 12 MONTHS

<table>
<thead>
<tr>
<th>Description</th>
<th>Due Date</th>
<th>Cost</th>
</tr>
</thead>
</table>

### Projected Total Life of Tool

<table>
<thead>
<tr>
<th>Total # Shots</th>
<th>End-of-Life Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Estimated Tool Replacement Cost $</th>
<th>Tool Replacement Lead Time</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>

Please Provide General Summary of Tool, including Use and Observations:

- [ ] Current Routine Preventive Maintenance  Description Attached (Required)