



SUPPLIER
QUALITY
MANUAL

Original Issue: August 3, 2005

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Section 1 - Introduction

1.1 Objective

This manual is intended to clarify the requirements for supplying KAM Plastics Corp. We hope the content clearly defines our expectations. Please feel free to contact KAM Purchasing or Supplier Quality with your comments and/or questions.

1.2 Sourcing Strategy

KAM intends to establish and maintain long-term relationships with suppliers who are committed to continuous improvement in cost, quality, delivery and service. This commitment is an expectation of **all** suppliers who participate in today's highly competitive world market. Those suppliers who embrace this philosophy may have an opportunity to enter into long-term relations with KAM.

Evidence of your commitment to a continuous improvement philosophy includes ISO-9000 and/or ISO/TS 16949 certification, proactive supply-chain management, on time delivery, productivity improvements and frequent cost-savings proposals. In turn, KAM will deal honestly with our suppliers, strive to listen to our suppliers' recommendations, communicate our requirements and provide our suppliers with the appropriate tools to perform at world-class levels. Ultimately, our goal is to develop Win/ Win relationships with our suppliers.

1.3 Supplier Quality Requirements

At KAM, we recognize the critical role quality plays in our success. The cornerstone is the KAM Plastics Quality Policy, which states:

”We the employees of KAM, have a personal interest in the success of the company. We recognize that we are successful only when we insure total customer satisfaction by exceeding the customer’s expectations on quality, cost, delivery and service. Our business will continue to grow as KAM becomes recognized for our superior performance in all of these areas. At KAM, we believe that by maintaining a work environment, that produces employee satisfaction and empowerment, we will continuously improve and ultimately obtain zero defects”

Our attainment of this goal is dependent on receiving quality materials from our entire supply chain.

Quality is a prime consideration for supplier selection and sourcing at KAM. Your dedication to quality and strict adherence to:

- KAM Supplier Quality Manual
- KAM Packaging & Shipping Requirements
- KAM Plastics Terms and Conditions
- Part drawings and specifications (including CAD data, where applicable)

will clearly document your value as a KAM supplier.

1.4 Monitoring Supplier Performance

Compliance to the KAM requirements will be monitored, and is considered an important part of our supplier management strategy.

Our approach is to prevent problems before they become obstacles to success. If problems arise, we will strive to

resolve them by working with our suppliers to find the appropriate solutions.

KAM requires its suppliers to achieve ISO-9000 and/or ISO/TS 16949 registration. KAM reserves the right to perform on-site audits of a supplier's quality system to verify compliance with the appropriate standard. KAM will not routinely audit registered suppliers but may elect to do so if it is deemed appropriate.

Section 2 - Purchasing Issues

2.1 Quotation Process

As you consider the opportunity to be a KAM supplier, please take into account all of the elements in this manual, especially during the quotation period. The supplier is responsible for completing a design feasibility review based on the design (print) record available at the time of quotation. (See AIAG – Team Feasibility or equivalent). Submit a record of the feasibility review along with the quotation for all firm non-MRO product quotes.

All KAM tooling suppliers are responsible for meeting the requirements detailed in the KAM Mold Standards and Specifications. Copies are available through KAM Engineering.

All quotations must include any additional costs such as delivery and packaging necessary to supply the item or service. PPAP costs must also be included for all non-MRO products.

2.2 KAM Plastics Terms and Conditions - Summary

The purchase of a product or service can only be initiated by issuance of a KAM purchase order. The purchase order constitutes an offer of purchase that may only be accepted and is subject to KAM's standard Terms and Conditions (See Appendix A). Any expression of acceptance from the supplier, including shipment of product will constitute acceptance of these Terms and Conditions. Any different or additional terms contained in any response issued by the supplier shall have no effect whatsoever, unless specifically agreed to in writing by KAM. KAM specifically objects to any attempt by supplier to limit warranties or KAM's remedies.

All non-MRO suppliers must submit and receive PPAP approval prior to shipments unless a deviation is received from KAM Quality.

The payment terms shall be net 60 unless otherwise specified on the purchase order. Freight terms shall be FOB destination-freight prepaid unless otherwise specified on the purchase order.

2.3 Prices

KAM requires all supplier invoice prices to match KAM purchase order prices exactly, to ensure timely processing. To achieve this, any price change must be documented by the issuance of a modified purchase order. The KAM purchase order defines what we understand as the agreed price. Invoices that do not match will be returned to the supplier. Payment terms will apply when KAM receives a conforming invoice. It should be noted that KAM's computer system recognizes per unit pricing to three (3) decimal places.

2.4 Delivery Responsibility and Cost

The order price includes packaging and delivery cost to the address specified (FOB point), unless KAM specifies other delivery conditions on the purchase order. The responsibility for goods in transit rests with the supplier unless KAM agrees to other conditions on the purchase order.

2.5 Continuity of Supply

Every supplier is faced with the possibility of production being interrupted by unforeseen circumstances, such as power loss or machine breakdown. Because any interruption in supply may result in substantial damages, particularly if it results in KAM not being able to meet customer demands, we require each of our component suppliers to develop a plan for continuity of supply. This plan must be immediately available on request.

2.6 Service Part Requirements

By accepting a production order from KAM, the supplier agrees to maintain the tooling, facilities, etc. required to manufacture the contracted component(s) for at least 10 years following the end of production. Service order pricing parameters should be agreed upon during the production launch process.

2.7 Tooling Payment Terms

Tooling payment terms will be 100% upon PPAP approval at KAM unless otherwise specified on the tooling purchase order.

Non-MRO
Tooling

Section 3 - Quality

An essential element of our final product quality is the quality of our purchased products and services. This section reflects the KAM requirements for initial and ongoing quality of supplied products and services. We have adopted the standards set by the Automotive Industry Action Group (AIAG) for quality assurance. Many of the elements in this manual reflect the guidelines set in the AIAG Advanced Product Quality Planning, SPC, FMEA, MSA and PPAP manuals (AIAG manuals can only be purchased directly from AIAG at 810-358-3003). It is our intention to choose suppliers who understand and effectively utilize these AIAG tools. Therefore, this manual will only refer to how these apply to KAM's expectations for using the AIAG tools.

3.1 Submission Package

As evidence of the supplier's commitment to providing KAM with a quality product or service, we require that the supplier provide KAM with a sample part submission package and receive approval BEFORE beginning production. The Quality department at KAM will review this package, and will give approval to fill orders. KAM has adopted the AIAG PPAP standard format for this submission package. There are five levels of submission. Each level requires different documented evidence to be submitted to KAM. It is important to note that ALL documentation must be completed for any submission level and retained by the supplier. Releases for initial production or revision level changes will not be issued until the required submission has been completed and approved.

Submission Level:

LEVEL 3 IS THE DEFAULT LEVEL TO BE UTILIZED FOR ALL SUBMISSIONS IF IT IS NOT SPECIFIED OTHERWISE BY QUALITY DEPARTMENT.

Tooling suppliers are exempt from the PPAP requirement but must meet the approval requirements of the KAM Mold Standards & Specifications.

KAM Supplier Quality will determine the submission level required. Be sure to note the submission requirement with each print received. Several factors are considered when determining the submission level. They may include:

Supplier compliance with ISO 9000, QS-9000, and or ISO/TS 16949 requirements
Supplier quality recognition status (e.g., Chrysler Quality Excellence, Ford Q1, GM Supplier of the year)
Part criticality

Experience with prior part submissions
Supplier expertise with the specific commodity

The KAM PPAP Checklist (see Appendix C) will be used to evaluate the submission.

3.2 IMDS Entry

The supplier must enter all components and raw plastics into the IMDS data base prior to shipment of production quantities and/or PPAP submission in accordance with Directive 2000/53/EC of the European Parliament and the Council on End-of-Life Vehicles. Supplier PPAP's will not be approved without completing the IMDS entry. Please use KAM's part number and IMDS identification number (#9809) when entering your product information. General IMDS information is available at www.mdsystem.com.

3.3 Supplier's Quality System Requirements

KAM requires that its products and raw material suppliers be certified to ISO 9000, ISO/TS 16949 or equivalent international standard. As such, your business shall have a clearly defined quality function. This function should report to upper management. In addition, your business shall have some form of a quality manual or documented system. All personnel who might affect product quality shall be properly trained to perform their functions.

If the supplier has stated that they operate to an internationally recognized quality standard (e.g., ISO 9000, ISO/TS 16949), then KAM will expect the supplier to adhere to this standard unless otherwise agreed to in writing.

3.4 Incoming Inspection

All materials furnished must conform to contractual and design requirements. Incoming products are subject to inspection and approval. KAM uses a sampling of parts to determine acceptability at receiving inspection. If fault is found with the product, KAM reserves the right to withhold payment. KAM also reserves the right to reject and/or return at the risk and expense of the supplier, all or any portion(s) of shipment(s), which fail to comply with KAM requirements/specifications.

3.5 Supplier Requests for Temporary Product Specification Changes

To receive a temporary product specification change, the supplier:

Must contact their KAM Quality representative and get a written deviation **prior to shipment**. This will state the maximum quantity or period for which the deviation shall apply.

Must include a copy of the signed deviation with each shipment of nonconforming product.

Will be fully exposed to all warranty claims and rework or rejects costs for shipments of product that do not conform to specification.

3.6 Rejects/Charge Back Policy

This policy is intended to encourage zero defects and offset KAM costs if supplier rejections do occur. If KAM rejects material due to nonconformance with agreed specifications then the following table will be used to determine actions and charge backs.

Situation	Potential Actions	Cost debited to Supplier
A. Rejection in Receiving Inspection	Return lot to supplier Lot sorted by supplier at KAM KAM personnel sort	Supplier is responsible for associated shipping costs Supplier is responsible for associated shipping costs \$50.00 per hour plus associated shipping
B. Rejection in KAM Manufacturing	Rework/Sort performed by supplier at KAM KAM personnel sort and/or rework	Associated shipping costs \$50.00 per hour plus associated shipping
C. Rejection in KAM Manufacturing causing downtime	Rework/Sort performed by supplier at KAM KAM personnel sort and/or rework	\$750 per shift of down time \$50.00 per hour plus \$750 per shift of down time
D. Rejection at KAM customer due to supplied material	Supplier support necessary for sorting/rework	All related costs charged back to KAM by our customer

The supplier will be responsible for directing and funding any third party inspection services used in a rejection. All of the above rejection situations would generate a \$250 debit for administrative fees.

In the event of a rejection, KAM will communicate the problem to the supplier and discuss necessary actions. When time permits, the supplier's personnel should come to the receiving location to sort, rework or replace the components and resolve the problem. If the rejection exceeds our internal threshold for corrective action, a Supplier Corrective Action Request (SCAR) (see Appendix B) will be issued requiring documented corrective actions to resolve that particular issue. A SCAR may also be issued if a historical trend toward a particular failure mode is identified at KAM. The supplier may use the KAM SCAR or another 8D equivalent form to document the corrective action.

3.7 Supporting Data

As evidence that our suppliers are checking critical part characteristics on an ongoing basis, KAM may require periodic certification of critical characteristics or materials as described on the print. The determination as to when certifications are required is dependent on the component part makeup and criticality. A Request for Certification will be issued as part of the submission request. It will specify characteristics requiring certification as well as frequency of certification. KAM Supplier Quality and the supplier will determine the level of certification required and the format of the certifications.

When requested Certificate of Analysis, capability studies, and/or SPC data must be supplied. Failure to do so may delay payment. For all raw plastics, the supplier will need to provide certification that meets the following requirements:

- Certification of analysis (C of A), which includes actual test data and not simply a statement of compliance (C of C).
- Analysis data showing compliance to the pertinent OEM specification.
- Dated (Less than one year old to be valid)
- Approval signature
- Supporting test lab accreditation (ISO9000, A2LA or equiv.)

3.8 Verification of Suppliers Product and Services at Supplier's Premises.

When required, KAM or KAM's customers shall be afforded the right to verify at the supplier's premises that the product or services supplied to KAM conform to specified requirements.

3.9 Supplier Performance Rating

KAM has instituted a system for tracking supplier quality and delivery performance in PPMs (Parts Per Million). Quality PPMs will be based on the total number of parts found defective. Out of fairness to our suppliers KAM will typically give the supplier the option to sort parts and respond back with actual reject numbers. If you choose not to sort, or fail to respond with that information, the entire lot quantity will be counted as rejects. A similar method is used to track delivery performance. The formula for delivery is based on the promise date from the supplier and how accurately the product is received compared to that date. The window for delivery will be increasingly tightened as a part of continuous improvement. The current window will be communicated by KAM Purchasing (see Section 5.2 Delivery Schedules) The information gathered for quality and delivery performance is reviewed monthly by KAM management and will be used for continuous improvement and awarding future business.

Section 4 - Documentation

One pack slip and one invoice are required per delivery.

You must include the following information on each invoice: KAM order number, part number, quantity, price and delivery location. If invoices do not meet these requirements, KAM may return them to the supplier for correction. The unit of measure and price must match the purchase order exactly.

Please refer to the Packaging & Shipping Requirements in Section 5 for information that must be included on pack slips and labels.

Suppliers whose pack slips and labels do not meet the requirements listed in the Packaging & Shipping Requirement section may be debited \$100.00 for each occurrence.

Section 5 - Packaging and Shipping Requirement

5.1 Packaging Requirements

KAM requires all suppliers to maintain consistent packaging that was established at the beginning of the program, and was approved through PPAP. Any packaging changes after PPAP require a written deviation from the Quality or Purchasing department and then subsequent PPAP approval.

5.2 Delivery Schedules

It is the supplier's responsibility to ensure goods are received at the required location on the date/time specified on KAM's shipping releases. (KAM's acceptable time frame for shipments; 1 day early to 0 days late.) KAM expects 100% on time delivery performance. Suppliers may be required to provide corrective action whenever this requirement is not being met. If late deliveries cause damages, the supplier will be debited accordingly, (e.g. if late delivery causes downtime in KAM's process/plant, the supplier will be debited an amount based on our Rejects/Charge Back Policy in 3.5).

*It should be noted that these charges would be invoked only when a supplier's product is received late per the contractual requirements.

It is the supplier's responsibility to inform KAM's Purchasing department immediately of any potential difficulties in meeting shipping release requirements. Alternative plans may be available which would avoid downtime and the

corresponding costs.

KAM's expectation is that all shipping releases will be adhered to (including during holiday or other supplier shutdown periods), unless prior written arrangements are made.

5.3 Delivery Times

KAM's delivery hours are from 7:00 am – 7:00 p.m. Eastern Standard time. If unable to deliver during these times, then you must contact KAM to make alternative arrangements.

5.4 Labels on Packaging

Labels must contain the KAM Part #, Revision Level, Quantity, and supplier lot control. Please ensure that there are no old labels left on packaging. Suppliers must put their label over or remove the old label to avoid confusion.

5.5 Standard Quantities

A standard pack quantity is to be supplied per box, pack, or pallet, unless otherwise specified on the shipping release.

5.6 Hazardous Material

Follow all relevant Health, Safety and Environmental regulation. MSDS sheets must be provided in accordance with state and federal regulations. Ensure all proper markings are on containers and proper paperwork is supplied to KAM's office manager before you deliver.

We reserve the right to refuse any delivery that does not conform to these delivery conditions

Section 6 -Visitors and Delivery Personnel

The safety of KAM employees and visitors is of supreme importance. When visiting KAM we require that you follow a few basic safety rules.

Sign in with the receptionist

Follow standard safety practices when on the production floor including

No open toe shoes

Safety glasses with side shields

We hope this manual clearly communicates our expectations. Your comments and suggestions for improvements are always welcome. For additional information or feedback please contact the following:

Commercial issues:

Tim Klingenberg

KAM Plastics - Materials Manager

616-355-5943

tklingenberg@kamplastics.com

Quality issues:

Eric Olson

KAM Plastics - Quality Manager

616-355-5934

eolson@kamplastics.com

APPENDIX A

KAM Plastics Corp. Terms and Conditions

Purchase orders issued by KAM or any of its subsidiaries or affiliates (“Buyer”) constitute an offer of purchase which may only be accepted subject to the following terms and conditions of sale. **Any expression of acceptance from Seller will constitute acceptance of these terms and conditions.** Any different or additional terms contained in any response issued by Seller shall be of no effect whatsoever, unless specifically agreed to in writing by Buyer.

PACKING, MARKING, AND SHIPPING – All goods shall be properly packed, marked, and shipped in accordance with the requirements of the carrier and any instructions from Buyer, including Buyer’s Supplier Guidelines Manual. Seller shall reimburse Buyer for all expenses, including demurrage, incurred by Buyer as a result of improper packing, marking, or shipping. Upon Buyer to obtain the lowest transportation rates. No charge will be made by Seller for shipping, packing, drayage, storage, or other similar costs unless Buyer specifically agrees in writing, in which case Seller shall list said items separately on its invoice, accompanied by a receipted freight bill or other appropriate supporting data. If a delivery date is specified by Buyer, Seller’s performance shall be made at the time(s) specified, time of the essence in every case. If because of failure of Seller to meet delivery requirements, Buyer finds it necessary to require shipment of goods by a method of transportation other than the standard method, Seller shall be responsible for any added cost.

DOCUMENTATION – Each packing slip, bill of lading, and invoice shall bear the applicable purchase order number and the location of the plant to which goods are shipped. Packing slips shall be accompanied by applicable materials certifications. Unless otherwise specified in writing invoices shall be submitted as directed on the applicable shipping release issued by Buyer. In the case of international shipments, Seller shall include a priced invoice with the master packing slip and all other documents for export and import, and shall identify the country of origin of the materials used in the goods and the value added thereto in each country. Export credits shall belong to Buyer unless otherwise agreed in writing, and upon Buyer’s request, Seller shall furnish all documents required to obtain export credits and duty drawbacks.

INSPECTION/RISK OF LOSS – Buyer reserves the right to inspect and test goods and conduct performance tests prior to shipment or upon receipt. If goods fail to meet the purchase order requirements, including any incorporated drawings or specifications, Buyer shall have the right to reject the goods or retain and correct the goods at Seller’s expense. Defects not discovered upon initial inspection are not waived by such inspection or any payment made by Buyer. Notwithstanding any delivery terms herein, risk of loss shall pass to Buyer only upon delivery and acceptance of the goods at Buyer’s facility.

WARRANTY – the goods and services covered by a purchase order will conform to the specifications, drawings, samples, or other descriptions furnished or specified by Buyer, and will be free from defects in design, material and workmanship, of any kind, quality and quantity, of merchantable quality, and fit for the purpose intended. This warranty shall extend for the longer of :

The period indicated in the purchase order specification, or one-year if none is indicated.

The term of any warranty extended by Buyers to its customer for any product into which the goods or services which are the subject of a purchase order are incorporated

REMEDIES – There shall be no exclusion of Seller’s liability or consequential damages. The warranties and remedies provided herein shall be cumulative, in addition to those implied by or available at law, and applicable notwithstanding the acceptance by Buyer of any part of the goods with respect to which such warranties and remedies apply.

PATENTS – Seller:

Warrants that the goods and services (and their sale or use, alone or in combination, according to Seller's specifications or recommendations, if any) will not infringe any United States or foreign patents

Agrees to indemnify and hold harmless Buyer and anyone selling or using any of Buyer's products against all judgments, decrees, cost, and expenses resulting from any alleged infringement

Agrees that Seller shall, upon request of Buyer or those selling or using any of Buyer's products by reason of any such alleged infringement. Seller agrees that Buyer shall have a nonexclusive, royalty free, irrevocable license to repair, rebuild, and relocate the goods (or to have the goods repaired, rebuilt, and relocated). All inventions (whether or not patentable), designs, drawings, copyrights, know-how, data, and other information developed by Seller specifically in response to a purchase order shall be furnished to Buyer without restriction on use or disclosure, and Buyer shall have a nonexclusive, royalty free, irrevocable license, with a right to sublicense, to use such inventions, designs, drawings, copyrights, know-how, data and other information.

CANCELLATION AT OPTION OF BUYER – Performance of work under purchase order may be canceled by Buyer at its option, in whole or in part, at any time, by delivery of a written notice of cancellation to Seller.

CHANGES- Buyer may make changes in a purchase order at any time by written notice, including changes in:

the drawings, designs, and/or specification applicable to the goods and/or services;
the method of shipment and packing; and
the place of delivery.

Any claim by Seller for a price adjustment resulting from said change shall be made within ten (10) days of Buyer's notice, and changes in the design, composition, packaging or point of shipment of any goods without the Buyer's prior written approval.

BAILED PROPERTY- Unless otherwise agreed in writing, all supplies, materials, facilities, tools, jigs, dies, fixtures, patterns and equipment furnished to Seller by Buyer to perform a purchase order, or for which Seller has been reimbursed by Buyer, shall remain the property of Buyer.

Seller shall bear the risk of loss of and damage to such property, normal wears and tears excepted. Such property shall at all times be properly stored and maintained by Seller, shall be deemed to be personal property, shall be marked "Property of KAM Industries or KAM Truck Components" by Seller, shall not be commingled with the property of Seller or with that of a third person, shall not be moved from Seller's premises without Buyer's prior written approval, and shall, upon request of Buyer by Seller, FREE CARRIER (INCOTERMS 1990) cars or trucks at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or shall upon request of Buyer, be immediately delivered to Buyer by Seller at any location designated by Buyer, in which event, Buyer shall pay to seller the cost of delivery such property to such location. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

MODIFICATION OF PURCHASE ORDER AND NONASSIGNMENT- No agreement or other understanding in any way purporting to modify the terms and conditions of any purchase order shall be binding upon Buyer unless agreed to by it in writing. Seller shall not delegate the performance of any of its obligations or duties under a purchase order unless otherwise agreed in writing by Buyer. Seller may assign monies due or to become due under a purchase order; provided, however that Buyer shall be entitled to assert against the assignee all rights, claims, and defenses of every type (including, without limitation, rights of setoff, recoupment, and counterclaim), which Buyer could assert against Seller, whether acquired prior or subsequent to such assignment.

APPROVAL OF SPECIFICATION- If specification, include component materials, are to be approved by Buyer prior to fabrication by Seller, Seller shall be responsible for any costs associated with modifications to the goods necessitated by its failure to obtain said approval.

COMPLIANCE WITH THE LAW- From time to time, Buyer serves as a contractor or Subcontractor to the United States Government. Accordingly, Seller agrees to comply with all federal, state, and local laws, Executive Orders, rules,

regulation, and ordinances which may be applicable to Seller's performance of its obligations under a purchase order, including the Fair Labor Standards Act of 1938, as amended, and the following requirements, if applicable, relating to equal employment opportunity and affirmative action: Equal Opportunity Clause (41 CR § 60-1.4); Certification of Non-segregated Facilities (41 CFR § 60-1.8); Standard Form 100 (EEO) and Affirmative Action for Handicapped Workers(41 CFR § 60-1.40); Affirmative Action for Handicapped Workers (41 CFR § 60-741.4); Affirmative Action for Disabled Veterans and Veterans of Vietnam Era(41 CFR § 60-250.4);Utilization of Small or Disadvantaged Business Concerns (48 CFR §52.219.8).Contract clause require by law in such circumstances are incorporated in any reference in any purchase order and available from Buyer upon request.

FRIGHT RATES, DUTIES, TAXES- Seller shall reduce the price of goods by the amount of any reduction in Seller's costs resulting from a reduction in freight rates, customs duties, import taxes, excise taxes, and/or sales taxes from those in force on the date of a purchase order.

EXCUSABLE DELAYS- Neither Buyer nor Seller shall be liable for failure to perform arising from causes or events beyond its reasonable control and without its fault or negligence. In the event of a delay in performance resulting from such an event, Buyer may cancel a purchase order pursuant to paragraph 7, or without cancellation, arrange for substitute performance during the period of delay by taking possession of all finished goods, work in progress, tooling, parts, and materials produced or acquired by Seller for performance under a purchase order.

SERVICES- To the extent a purchase order provides for consulting agrees to assign to Buyer all right, title, and interest in and to any and all ideas, inventions, designs, drawings, improvements, materials, copyrightable materials, or the like, conceived or made by consultant as a result of or relating to work done for Buyer purchase order. Such assignment includes all proprietary right appurtenant thereto, and consultant will sign any documents necessary to confirm such assignment.

CONFIDENTIALITY- All information concerning the products manufactured by Buyer, including but not limited to samples, patterns, drawings, and specification, which are made available to Seller in connection with a purchase order (the "Information"), shall remain the property of Buyer. Seller shall hold the Information without Buyer's prior written consent, except for the purpose of performing the applicable purchase order. Unless otherwise agreed in writing, technical information and data furnished by Seller to Buyer in connection with a purchase order are disclosed on a non-confidential basis.

SHIPPING RELEASE- If delivery dates are not specified in a purchase order, Seller is authorized to procure materials and fabricate, assemble, and ship goods only as authorized in written releases issued by Buyer. Only those releases with a delivery date within 30 days of the date of a release are authorized for shipment. Releases with a delivery date 31-60 days of the date of the release are released for raw material procurement and expected delivery. All other releases are for planning purposes only and are not released for shipment or raw material procurement. In the event of any conflict between the terms of releases, the most recent release will prevail.

CONDUCT IN BUYER'S PREMISES- In the event Seller's employees or agents or other persons under its control enter Buyer's premises in connection with the performance of a purchase order, Seller assumes all risks injury to such persons and agrees to hold Buyer harmless from any liabilities, costs or expenses attributable to injury to such persons, unless caused by the negligence of Buyer. Seller also agrees to hold Buyer harmless from any liabilities, costs or expenses attributable to injury to person or property caused by its employees or agents or persons under its control while in Buyer's premises. Seller shall maintain, at its expense, all necessary and appropriate insurance for Seller and its employees who may be physically present at Buyer's premises, including, but not limited to, worker's compensation, employer's disability, unemployment and comprehensive general liability insurance. Seller shall provide Buyer with evidence of such insurance upon request.

APPLICABLE LAW- Purchase orders shall be construed and governed according to the laws

of the state and/or country of Buyer's place of business from which they are issued, not including the U.N. Convention for the International Sale of Goods, and litigation related to a purchase order shall be brought only in that jurisdiction.

APPENDIX B
Supplier Corrective Action Request (SCAR)

KAM PLASTICS SUPPLIER		SCAR NUMBER:
CORRECTIVE ACTION REQUEST (SCAR)		(Ref. QSP-143)
DATE:	SCAR ORIGINATED BY:	
SUPPLIER CHAMPION:	PHONE:	
TEAM MEMBERS:		
<u>PRODUCT INFORMATION</u>		
PART NUMBER:	DESCRIPTION:	
TOTAL QUANTITY OF PRODUCT INVOLVED:	RESPONSE DUE:	
DATE CODE(S):	RMA NO.:	
<u>PROBLEM DETAILS</u>		
-		
-		
-		
-		
-		
-		
DESCRIPTION OF THE PROBLEM:		
ACTION THE CUSTOMER IS EXPECTING:		
SHORT TERM CONTAINMENT:	DUE DATE:	
SORT RESULTS:		
OWNER:		
COMPLETE:		
ROOT CAUSE ANALYSIS:	DUE DATE:	
Primary:		
Secondary:		
OWNER:		
COMPLETE:		
CORRECTIVE ACTION:	DUE DATE:	
OWNER:		

		COMPLETE:	
CORRECTIVE ACTION VERIFICATION:		DUE DATE:	
		OWNER:	
		COMPLETE:	
PREVENT RECURRENCE:			
-			
-			
KAM Approval:			DATE:
LESSONS LEARNED UPDATED	CONTROL PLAN UPDATED	FMEA UPDATED	

Form Instructions: Shaded fields should be complete and returned within 48 hours. Attach supporting information as appropriate. Send completed copy to KAM Plastics - Quality
 FAX 616-355-5939 or email. F-143-2 Rev 2.10.05

**APPENDIX C
 KAM PPAP CHECKLIST**

Part # _____

Part Name _____

Supplier _____

Submission Level _____

Drawing Number _____

Revision _____

6.1.1 PPAP Requirements	Required?		Acceptable?	
	Yes	No	Yes	No
6.1.1.1 WARRANT FORM				
Current revision of the AIAG Warrant Form is used (See 3 rd Edition PPAP Manual).				
Part Submission Warrant Form is included with KAM listed as customer.				
Part name, number and other information is correctly filled out.				
Correct revision level with appropriate date is on warrant form.				
Submission information is properly filled out.				
Reason for submission is correctly marked.				
Requested submission level is marked.				
Submission results are properly and fully completed.				
Declaration is properly and fully completed.				
6.2 SAMPLES				
6.3 <i>Two samples per cavity and/or process are included.</i>				
6.3.1.1 INSPECTION RESULTS				
Heading is accurately and fully completed.				
Signed and dated Dimensional Inspection Report is included.				
All dimensions, except reference and basic dimensions, are listed on report.				
Dimensional results for at least 1 part per cavity are listed.				
All dimensions meet print.				
6.3.1.2 LAB & FUNCTIONAL RESULTS				
Test results for all chemical, physical, and performance requirements listed on print are provided.				
Report is signed and dated.				
Results are from an accredited or QS-9000 compliant lab (evidence may be required). See AIAG QS9000 definition of "Accredited lab".				
Test Results are less than one year old.				
Lab accreditation and lab scope are current.				
6.3.1.2.1 Material/ Component is entered into IMDS website under KAM Plastics account #9809				
6.3.1.3 APPEARANCE APPROVAL REPORT				
AAR is included for all appearance items.				
6.3.1.4 PROCESS CAPABILITY RESULTS				
Process studies have been performed on all critical dimensions (SC's).				
The parts studied must be from production tooling parts, gauging, process, materials and operators at the production site.				
The study is based on a minimum of 25 subgroups containing at least 100 readings (per process stream or cavity) from consecutive production parts from a 300-piece or larger run.				
Process Potential has been calculated correctly and process control is demonstrated with Ppk >1.67 unless otherwise approved by KAM Quality.				

6.3.1.5 PROCESS FLOW CHART				
Process Flow Chart is included.				
6.4 <i>Heading is accurately and fully completed.</i>				
6.5 <i>The operations described in process flow chart are clear and process steps are included in a logical sequence.</i>				
6.5.1.1				
	Yes	No	Yes	No
6.5.1.2 PROCESS CONTROL PLAN				
Heading is accurately and fully completed including supplier signature.				
All parts of the process are covered in Control plan.				
Process/Operation steps are numbered and correlate with Process Flow.				
6.6 <i>All significant characteristics (SC's) are noted</i>				
6.6.1.1 MEASUREMENT STUDIES				
A gage R&R study has been preformed for all control items identified on the Control Plan.				
6.7 <i>Methods conform to those described in the AIAG Measurement Systems Analysis Reference Manual.</i>				
6.8 <i>Gage error is less than or equal to 10% unless otherwise approved by KAM Quality.</i>				
6.8.1.1 INSTRUMENT CERTIFICATIONS				
Gage certification is included.				
6.8.1.2 PROCESS (DESIGN) FAILURE MODE AND EFFECTS ANALYSIS				
PFMEA or DFMEA (if supplier is design responsible) is included and meets AIAG 3 rd Edition				
Heading is accurately and fully completed.				
6.9 DRAWINGS				
A current drawing is submitted.				
All dimensions/notes are number and correspond with the inspection results.				

Status (check one): Approved Limited Approval Rejected

Action Plan if not approved: _____

Comments: _____

Date Reviewed: _____ KAM Quality: _____

- Instructions:
- 1) KAM Quality identifies the necessary submission documents in the Required column with input from the Supplier.
 - 2) Attach with Print Acknowledgement for delivery to supplier.
 - 3) KAM Quality will evaluate PPAP based on identified requirements and note status in "Acceptable" column.
 - 4) Attach copy to warrant and return to supplier. File original in supplier file in Receiving Inspection.