



Supplier Manual

REV 1

INTRODUCTION	3
1.1 PURPOSE OF THIS SUPPLIER MANUAL	3
1.2 SCOPE	3
1.3 CONCEPT	3
1.4 SUPPLIER INVOLVEMENT.	3
1.5 VERIFICATION OF REQUIREMENTS	3
1.6 ADDITIONAL RESOURCES	3
COMMERCIAL REQUIREMENTS	4
2.1 TERMS AND CONDITIONS	4
2.2 ETHICS	4
2.3 ACCEPTANCE OF GIFTS	4
2.4 QUOTATIONS.....	4
2.5 SERVICE	4
2.6 LEAD-TIME	4
2.7 DELIVERY.....	4
2.8 SHIPMENT QUANTITIES	5
2.9 PACKAGING.....	5
2.10 SHIPPING DOCUMENTS	5
2.11 KMC LOCATIONS AND RECEIVING HOURS	6
2.12 KMC STAMPINGS ROUTING GUIDE	7
SUPPLIER PERFORMANCE & DEVELOPMENT	8
3.1 SUPPLIER QUALITY RATING SYSTEM.....	8
3.2 SUPPLIER PERFORMANCE REPORTING	8
3.3 SUPPLIER CONTROL	8
3.4 FORMALIZING YOUR QUALITY SYSTEM	8
3.5 SUPPLIER DEVELOPMENT	8
3.6 CONTINGENCY PLANS.....	9
QUALITY REQUIREMENTS	10
4.1 ADVANCED PRODUCT QUALITY PLANNING (APQP)	10
4.2 PRODUCTION PART APPROVAL PROCESS (PPAP).....	10
4.3 CERTIFICATION PROCESS	11
4.4 PROBLEM RESOLUTION	12
4.5 METHODS.....	12
4.6 SUPPLIER RESPONSE	12
4.7 HANDLING NONCONFORMING PRODUCT	12
4.8 DISPOSITION FOR NONCONFORMING PRODUCT.	12
4.9 LEVEL II CONTAINMENT	13
4.10 CHARGE BACK POLICY	13
4.11 TRACEABILITY	13

INTRODUCTION

The Quality Policy of Kickhaefer Manufacturing Company (KMC) is to provide defect-free parts on time, strive for continuous improvement and achieve customer satisfaction. We will do this through reliable and innovative policies and procedures.

At KMC, we recognize the critical role quality plays in our success; therefore, we are committed to meet our customer's quality needs and expectations by pursuing continuous quality and productivity improvements. A large segment of our quality performance depends on you as our Supplier.

Quality is a prime consideration for Supplier selection at KMC. Your dedication to quality and strict adherence to this KMC Supplier Manual will clearly define your value as a KMC Supplier.

This manual shall be reviewed and communicated to the appropriate individuals within your organization. Compliance to all requirements listed within this manual is expected.

1.1 PURPOSE OF THIS SUPPLIER MANUAL

- 1.1.1 The purpose of this manual is to promote a clear understanding of KMC expectations and requirements for Suppliers.
- 1.1.2 This manual explains the process KMC follows to assess the capability and performance of each Supplier. Those Suppliers demonstrating the highest standards of quality and performance will be given first consideration when awarding new business opportunities.

1.2 SCOPE

- 1.2.1 These standards apply to all approved and interim Suppliers to KMC. Acceptance of any and all purchase orders constitutes acceptance and commitment on behalf of the recipient to comply with this manual's content. This manual establishes minimum requirements, is supplemental to, and does not replace or alter any purchasing agreement.
- 1.2.2 The controlled version of this Supplier Manual can be found on KMC's website at: www.kmcstampings.com in the footer link. ****PRINTED COPIES OF THIS MANUAL WILL BE UNCONTROLLED.****

1.3 CONCEPT

KMC Suppliers are viewed as being fully responsible for the quality of their products. Therefore, they must ensure that all materials are produced in conformance to the required standards and delivered on time. It is the Supplier's responsibility to request an authorization to deviate from the purchase orders or the Supplier Manual before shipping the product. Failure to do so may result in a formal request for a corrective and preventative action from the Supplier and/or cost recovery.

1.4 SUPPLIER INVOLVEMENT

KMC Suppliers have an obligation to manage the product planning process. Suppliers must expect the same performance from their subcontractors.

1.5 VERIFICATION OF REQUIREMENTS

KMC reserves the right to audit contracted products and applicable processes/systems associated with those products at the Supplier's premises. KMC will exercise this right within reason.

1.6 ADDITIONAL RESOURCES

- 1.6.1 Please refer to the Automotive Industry Action Group (AIAG) manuals for further details at www.aiag.org.
- 1.6.2 For further explanation of the KMC Supplier Manual, contact the KMC Quality Department or KMC Supply Chain.

COMMERCIAL REQUIREMENTS

2.1 TERMS AND CONDITIONS

- 2.1.1 Normal payment terms are net 45 days.
- 2.1.2 All KMC orders, including subcontract shipper instructions, are subject to our terms and conditions as listed on our purchase orders.

2.2 ETHICS

KMC requests your cooperation and support in helping KMC maintain a fair, ethical and effective procurement system for all products, supplies and services. Our goal is to conduct business according to the highest ethical standards; we seek to avoid even the perception of a conflict of interest or other impropriety in order to maintain the integrity of our procurement system.

2.3 ACCEPTANCE OF GIFTS

KMC values the sound relationships we enjoy with our Suppliers. These relationships are based on quality and service at a fair price. For this reason, the giving, and/or receiving of gifts (at Christmas or any other time of the year) is not condoned and will not be practiced. Promotional items of minor value, which we define as having a value of \$25 or less, may be accepted or given as a gesture of good will.

2.4 QUOTATIONS

Quotations must list the required **specification and revision level** as listed on our *Request for Quotation* form. Deviation to the required specification and revision level is not allowed without prior KMC approval. Deviations, when approved, must be clearly stated on the quotation. Quotations provided without the required information will be deemed invalid and will not be considered.

2.5 SERVICE

- 2.5.1 Suppliers are required to notify KMC in advance of missed shipments or late deliveries.
- 2.5.2 Suppliers are expected to notify KMC of any changes in plant operations, capabilities, or process changes at the earliest possible time.
- 2.5.3 Holiday and predicted closures must be communicated to KMC at the earliest possible time.
- 2.5.4 All Suppliers are required to have a fully trained backup to our primary customer service contact. This person must have a thorough understanding of all KMC requirements.

2.6 LEAD-TIME

- 2.6.1 KMC and the Supplier will agree to the assigned lead-time for the purchased product or service before or during the ordering process. Transit time is to be considered in the development of lead-time. When lead-time is not formally agreed upon, lead-time will be interpreted as a maximum of seven (7) calendar days.
- 2.6.2 Changes, or anticipated changes, in lead-time must be communicated to the KMC Purchasing Department at the earliest possible time.

2.7 DELIVERY

- 2.7.1 100% on-time delivery performance is required. The delivery date is defined as the date the complete order is delivered to the correct KMC facility.
- 2.7.2 Materials, Components, Tools, Supplies; Delivery is measured against our Purchase Order required date. The required date is not the Supplier's ship date; it is the date KMC requires the product to be delivered to our facility. Any delivery of components, supplies or tooling received after the required date will be considered late.
- 2.7.3 Delivery for materials may be made on the required date or five (5) days prior to the required date. Any delivery received after the required date will be considered late. Delivery for subcontracted services is measured against the lead-time for that process.

- 2.7.4 KMC will react to our customer's requirements and, at times, may request a product or service to be delivered earlier than the agreed upon lead-time. Suppliers are expected to respond accordingly to assist KMC in meeting those requirements. In the event that the Supplier is not able to meet our required date, it is the Supplier's responsibility to advise KMC of the best delivery date within the agreed/normal lead-time. Delivery will then be measured against this "promise" delivery date. Requests to change the required delivery date will only be accepted by KMC if they are received by KMC within 2 days of the original purchase order issuance date.
- 2.7.5 Delivery for subcontracted services must be made by the subcontract shipper due date. Any delivery of subcontracted services received after the subcontract shipper due date will be considered late.

2.8 SHIPMENT QUANTITIES

- 2.8.1 Unless otherwise specified, KMC's allowable shipping tolerance for materials is +/- 10%, and for subcontracted services is +/- 5%. Shipments received outside of this tolerance are subject to rejection and cost recovery, unless authorized by the KMC Purchasing Department.
- 2.8.2 KMC weight-counts all outbound shipments and receipts of product for subcontracted services. It is the Supplier's responsibility to verify our counts upon receipt and to determine shipping quantities before shipment back to KMC or drop ship location. Discrepancies must be reported immediately to the KMC Purchasing Department. KMC will issue payment based on the quantity of product weigh-counted upon receipt at KMC.
- 2.8.3 Partial shipments are not allowed unless pre-authorized by KMC.

2.9 PACKAGING

- 2.9.1 Packaging for all materials, components, supplies, parts returned from subcontractors and tools must be sufficient to provide suitable protection against nonconforming condition.
- 2.9.2 Unless otherwise specified, parts returned from subcontractors must be delivered to KMC in their original container and the quantity per each container should approximate the original container quantity.
- 2.9.3 Unless otherwise specified, clean poly liners are required for all parts originally received with a poly liner. The poly liner must be closed to prevent contamination upon return shipment to KMC.
- 2.9.4 Regarding specified pack methods, it is unacceptable to exceed the specified quantity per container. If necessary, a partial container should be utilized and clearly identified.

2.10 SHIPPING DOCUMENTS

All shipments must include the following;

- 2.10.1 KMC Requires the use of an Advance Shipping Notification, indicating; part number, shipper or purchase order number, quantity and number of containers to be emailed to the KMC Receiving Office prior to shipment. For current email addresses, please contact the appropriate KMC shipping department;

Park Street: (262) 377-5030

Mineral Springs: (262) 235-3051

1st Street, Milwaukee: (414) 792-9710

- 2.10.2 Packing slip detailing the contents of the shipment. For materials, components and supplies, the KMC part number and purchase order number must be printed on the packing slip. For subcontracted services, the shipper number is required along with the number listed on the KMC subcontract shipment.
- 2.10.3 Documentation to satisfy current governmental and safety constraints on restricted, toxic and hazardous materials.

2.10.4 When Certification is required, it must clearly state compliance to the specification listed on the KMC Purchase Order or subcontract shipper. Chemical analysis is required for metal purchases. Material certification must list the KMC part number and purchase order number. Subcontracted service certifications must link the KMC part number and the subcontract shipper number.

- Identification labels or tags listing the KMC part number, purchase order number and net quantity. Where applicable, gross, tare and net weights are required.
- Quality documents, when requested.
- When the KMC Certified Product form is required, it is to be printed in **color** from the .pdf included in this document.

2.11 **KMC LOCATIONS AND RECEIVING HOURS**

KMC Port Washington

Receiving Hours: 7:00 AM –3:30 PM

1221 S. Park Street
Port Washington, WI 53074

KMC Walker's Point

Receiving Hours: 6:00 AM –3:30 PM

620 S. 1st Street
Milwaukee, WI 53204

KMC Fredonia

Receiving Hours: 6:00 AM –2:00 PM

624 Tower Drive
Fredonia, WI 53021

KMC Mineral Springs

Receiving Hours: 7:00 AM-3:30 PM

1151 Mineral Springs Drive
Port Washington, WI 53074

2.12 KMC STAMPINGS ROUTING GUIDE

TO/FROM	PARCEL	LTL
WI	0 – 200 lbs UPS 201 – 300 lbs UPS CWT	> 200 lbs Rock Transfer
IL (Chicago – Rockford)	0 – 200 lbs UPS 201 – 250 lbs UPS CWT	> 200 lbs Rock Transfer
IN	0 – 200 lbs UPS 201 – 250 lbs UPS CWT	> 250 lbs Rock Transfer
MI – Zip Codes 48001 - 48999	0 – 200 lbs UPS 201 – 250 lbs UPS CWT	> 250 lbs Rock Transfer
ALL OTHERS	Contact the shipping department for routing instructions	CH Robinson Worldwide Madison, WI

Carrier Information	Phone	Web Site
Rock Transfer	800-837-7625	www.rocktransfer.com
CH Robinson Worldwide	888-683-4356	kmc@chrobinson.com
UPS	800-742-5877	www.ups.com

KMC Contact Information

Shipping Supervisor
 1221 South Park Street
 P.O. Box 348
 Port Washington, WI 53074-0348
 Phone: 262-375-6423 | Fax: 262-284-9774

dbeck@kmcstampings.com | www.kmcstampings.com

SUPPLIER PERFORMANCE & DEVELOPMENT

3.1 SUPPLIER QUALITY RATING SYSTEM

- 3.1.1 Suppliers will be rated on the following:
- Delivery Performance: On-time delivery is measured against late deliveries. Suppliers are required to provide 100% on-time delivery.
 - Quality Performance: Quality Performance will be tracked using PPM (Parts Per Million) measurement. Suppliers are to provide product that meets the requirements of a “C=0 defect sampling plan” for each shipment.

3.2 SUPPLIER PERFORMANCE REPORTING

- 3.2.1 KMC reports Supplier performance internally, and shares with our Suppliers. Suppliers are responsible for tracking their own performance as it relates to KMC orders.

3.3 SUPPLIER CONTROL

- 3.3.1 Corrective Action Requests will be issued to Suppliers when unacceptable performance exists.
- 3.3.2 Suppliers demonstrating trends of unacceptable performance will be removed from KMC’s “Approved Supplier” listing.

3.4 FORMALIZING YOUR QUALITY SYSTEM

- 3.4.1 Unless otherwise specified by the customer, suppliers to the organization shall be third party, registered to ISO-9001:2015 by an accredited third-party certification body.
- 3.4.2 Conformance is demonstrated through;
- ISO 9001 registration, or
 - TS 16949 registration, or
 - ISO 17025 Requirements, or
 - IATF 16949: 2016 registration

3.5 SUPPLIER DEVELOPMENT

- 3.5.1 In the event that third party registration is an extreme burden to the Supplier, under certain conditions, a Supplier development program may be an alternative. A Supplier may apply to the KMC Corporate Quality Group for consideration of the circumstances and the need for product(s) produced by the Supplier.
- 3.5.2 If it is determined that circumstances warrant, arrangements will be made for a second part evaluation of the ability of the Supplier to become compliant to the requirements of ISO 9001. Recommendations will then be made for any corrective actions needed. After implementation, a Second Party compliance certification will be given to the Supplier.

3.6 **CONTINGENCY PLANS**

The organization shall;

- Identify and evaluate internal and external risks to all manufacturing processes and infrastructure equipment essential to maintain production output and to ensure that customer requirements are met.
- Define contingency plans according to risk and impact to the customer.
- Prepare contingency plans for continuity of supply in the event of any of the following: key equipment failures, interruption from externally provided products, processes, and services; recurring natural disasters; fire; utility interruptions; labor shortages; cyber-attacks or infrastructure disruptions.
- Include, as a supplement to the contingency plans, a notification process to the customer and other interested parties for the extent and duration of any situation impacting customer operations.
- Periodically test the contingency plans for effectiveness (e.g., simulations, as appropriate).
- Conduct contingency plan reviews (at a minimum, annually) using a multidisciplinary team including top management, and update as required.
- Document the contingency plans and retain documented information describing any revision(s), including the person(s) who authorized the change(s).

The contingency plans shall include provisions to validate that the manufactured product continues to meet customer specifications after the re-start of production following an emergency in which production was stopped and if the regular shutdown processes were not followed.

QUALITY REQUIREMENTS

4.1 ADVANCED PRODUCT QUALITY PLANNING (APQP)

KMC performs APQP on our products and ask that our Suppliers participate with KMC in this endeavor. The Supplier and KMC must understand and agree on all applicable quality standards and requirements. Agreement must be reached on all critical quality characteristics, control items, check fixtures, packaging requirements and all other quality-related matters.

4.1.1 APQP Tools

KMC encourages Suppliers to use the techniques (as they apply) described in the *AIAG Advanced Product Quality Planning and Control Plan Manual*.

4.1.2 Sampling Plan

KMC requires the supplier use a “Zero-Based Acceptance” sampling plan.

4.1.3 Packaging

Suppliers are asked to suggest packaging that will allow conformance to the deliverable product specifications. Suppliers are expected to promote certain packaging methods based on experience.

4.1.4 Guideline Samples

Suppliers are responsible for maintaining reference materials for products with cosmetic requirements. This shall include; OEM paint chips, texture and plating “master samples”.

4.2 PRODUCTION PART APPROVAL PROCESS (PPAP)

4.2.1 PPAP Procedure

KMC suppliers may be responsible for creating; Control Plans, Process Flow Charts, and Process Failure Mode Effects Analysis (PFMEA) to substantiate conformance to all applicable product requirements. Suppliers are not authorized to begin production of, or ship product to KMC prior to approval of these elements.

4.2.2 PPAP Submission Level/Due Date

4.2.2.1 All submissions will be specified by KMC at the commencement of the KMC Advanced Product Quality Planning process (APQP 1).

4.2.2.2 The KMC Quality Department will establish the due date for requested documentation.

4.2.3 Deviations

Deviation requests must be submitted and incorporated on the part drawing prior to sample submission for production approval by the KMC customer and the Corporate Purchasing Department

4.2.4 Laboratory and Test results

A current laboratory accreditation certificate (Per end-customer accreditation policy) must accompany all laboratory analysis reports. The test results must reflect a period of not greater than 12 months and indicate laboratory name, address, date, specification number, specification limits, lot number, test results and a signature of a responsible individual. Lab scope of facility shall be documented. Outside laboratories must be registered to the ISO/IEC 17025:2005 Standard.

4.2.5 All products supplied to KMC for automotive customers are subject to government/safety regulated requirements (FMVSS). Documentation assuring requirement compliance must be submitted with, or prior to, delivery of each lot of material.

4.2.6 Annual Recertification

Test data must be less than one year old. Annual material testing must be performed to validate ongoing conformance to requirements. Material test results are to be kept on file at the Supplier location and be available to the customer upon request within the same business day. All records are subject to periodic audit review by the customer personnel. The unavailability of the Supplier's data would result in a noncompliance and could result in a plant rejection. If this occurs, the Supplier will receive a Problem Solving Report (PSR) and be required to submit a written corrective action plan using this format. NOTE: A complete dimensional/material analysis shall be made available upon request.

4.2.7 MATERIAL CERTIFICATION / WARRANT REQUIREMENTS

When required, a Certification / Warrant document shall contain;

- Supplier name, address, phone number, date
- Customer location address
- Purchase order number
- Quantity shipped
- Date shipped
- Lot / Batch number for traceability
- Product name / Number
- Listing of Specification compliant to
- Authorization signature or authorization name if supplied electronically.
- Characteristics controlled (specification values with tolerance and units of measure)
- Actual test methods and results for a particular lot / batch.
- Certificates of Analysis (Compliance)—Analysis reports must show the requirement, tolerance range and test results.

4.2.8 RoHS, IMDS, REACH, CONFLICT MINERALS, FASTENER QUALITY ACT

Many of our customers and OEM's are increasingly concerned about complying with the many world-wide directives involving restricted and hazardous materials. Because of this, KMC is gradually moving to require our supplier base to likewise seek methods of complying with these directives. All suppliers should develop procedures, as appropriate and as determined by their position in the supply chain to move towards RoHS, IMDS, REACH, Conflict Minerals, Fastener Quality Act compliance, or any combination thereof. These will gradually become a KMC specific requirement for PPAP submissions. KMC may require a "Letter of Compliance" regarding these items.

4.3 CERTIFICATION PROCESS

4.3.1 New Suppliers are required to certify their first three part shipments. The *KMC Certified Product Form* (Appendix A) must be completed and included for each of the three shipments. This certification process may be discontinued after the third shipment if KMC accepts all shipments as conforming.

4.3.2 When a non-conforming incident occurs, the Supplier must certify the next three consecutive shipments of the part in which the non-conforming condition existed. The *KMC Certified Product Form* (Appendix A), must be completed and included for each of the three shipments. This certification process may be discontinued after the third shipment if KMC accepts all shipments as conforming. Reoccurrence of a non-conforming condition will require the special certification process to continue until three (3) consecutive conforming shipments have been achieved.

4.4 PROBLEM RESOLUTION

- 4.4.1 KMC Suppliers are responsible for providing defect-free product to KMC and ultimately, our customers. When quality issues occur, the Supplier is required to initiate problem-solving techniques and corrective action to resolve the issue and ensure no reoccurrence.
- 4.4.2 This section covers the KMC specific requirements for problem solving and corrective action reporting. It is designed to guide KMC Suppliers in the development of a corrective action system that will meet KMC's minimum requirements.

4.5 METHODS

- 4.5.1 KMC requires that a systematic problem-solving method be utilized, or the use of KMC's "Corrective and Preventative Action Request".
- 4.5.2 The team is required to implement short-term and long-term corrective action plans and verify the effectiveness of the corrective action taken.
- 4.5.3 Initial response/containment is required within 24 hours and final response is required within fourteen (14) calendar days. The KMC Quality Manager or KMC Supply Chain Director must approve further extensions.
- 4.5.4 Suppliers should include opportunities to error-proof the product or process and apply the corrective actions to all KMC products in their facility, if possible.

4.6 SUPPLIER RESPONSE

- 4.6.1 Once the supplier has been notified of a nonconforming issue, they are required to;
 - Define and verify the root cause
 - Identify and implement short-term containment and corrective action plan.
 - Identify and implement permanent root cause/corrective action.
 - Verify the effectiveness of the corrective action.
- 4.6.2 Update all relevant documentation that is affected to standardize corrective actions into the quality system. For example; Process FMEA, Control Plan and Job Instructions.
- 4.6.3 Implement KMC Certification Process (see 4.3.2)

4.7 HANDLING NONCONFORMING PRODUCT

- 4.7.1 When a Supplier detects or suspects nonconforming material, they are expected to contact the appropriate KMC representative before shipment.
- 4.7.2 The KMC Quality Department may initiate a deviation upon a Supplier's request to accept the nonconforming product.
- 4.7.3 Nonconforming product received from a Supplier may be handled in any of the following ways;
 - Sorting/Rework
 - KMC Quality Department must approve the sorting method.
 - Sorted product must be identified as agreed upon by KMC and the Supplier.
 - Sorted nonconforming parts are to be segregated from normal production and disposition accordingly.
 - Deviation Request
 - Reject the entire lot.

4.8 DISPOSITION FOR NONCONFORMING PRODUCT.

It is the Supplier's responsibility to disposition nonconforming product identified at a KMC location promptly. Nonconforming product held at KMC for more than one week after determination and

verification of the nonconforming condition will either be returned freight collect to the Supplier or scrapped at KMC. KMC does not provide scrap credit to Suppliers.

4.9 LEVEL II CONTAINMENT

4.9.1 KMC reserves the right to invoke Level II containment with each lot of material to verify that corrective actions are implemented and conformance maintained. Under Level II containment, the Supplier will absorb all costs associated with shipment to a KMC certified sorting house for verification of containment of discrepant material. The Supplier will be furnished data from the sort for the condition (mixed parts, missing treatment, etc.) that warranted the sort.

4.9.2 To exit Level II containment the Supplier must;

- Submit a corrective action, which is verified effective by the KMC Quality Department
- Supply defect-free product based on a mutual agreed upon plan.

4.10 CHARGE BACK POLICY

4.10.1 Costs associated with Supplier part quality or delivery issues and PPAP rejection issues that are deemed the Supplier's responsibility will be charged back to the Supplier. Costs may include customer-imposed charges and expedited freight, if the quality or delivery issue results in a late order or quality complaint from KMC's customer.

4.11 TRACEABILITY

4.11.1 Material Traceability

The Supplier's quality system shall ensure that all products are traceable to raw materials or settings used in the manufacturing process, production operation, date of manufacture, spec change level and records of evaluation of conformance. All product shall have a positive identification at all times to address these requirements via date codes, lot numbers or other means.

4.11.2 Record Traceability

The quality system shall ensure that all applicable quality records and data are traceable to the appropriate drawing revision level.

Certified Product

Date	
Supplier	
PO Number	
Shipper Number (Subcontract Only)	
Quantity	
Certified Attribute	
Certificate Sequence	
Certified By	