GLOBAL SUPPLIER QUALITY MANUAL

(GSQM)

(will be controlled only when viewed online at THK RHYTHM Automotive Website)
Management Message

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Glossary

This manual includes both the TRA and the TRA Product Line Specific Requirements.
This manual is released electronically on the TRA Vendor Information Network (VIN) website

https://www.vinls.trca.thk.com/

without any hardcopy publication.

TRA reserves the right to make updates to this document and attachments as deemed necessary for the
management of our business and such changes will be effective immediately. Wherever the term “Supplier” is
used, it includes all sub-tier suppliers and those directed by TRA and / or our customers.
Management Message

THK Rhythm Automotive (TRA) continues to drive performance and results by focusing on Best Quality, Lowest Cost, Global Reach and Innovative Technology. As we continue to advance our quality systems, processes and product technologies, it is critically important to develop, grow and extend our business relationships with the TRA supply base. We take our responsibility as a safety supplier very serious and expect our supply base to do the same. Suppliers are required to notify the TRA Supplier Development Engineering (SDE) immediately if you become aware of a potential safety issue.

This Global Supplier Quality Manual includes several continuous improvement actions to further improve launch, serial production, quality and delivery. Our continued mutual success depends on the execution of these improvements through each level of our supply chain. Therefore, your full understanding and deployment of these requirements is required.

Please pay particular attention to the following updates and changes:

- REACH
- Government Regulatory Compliance and Corporate Social Responsibility & Sustainability
- Pre-Sourcing Technical Review
- Sub-Tier Supplier Management
- Product Characteristics Matrix (PCM) and Special Characteristics (Pass-Thru)
- Enhanced Supplier PPAP Initiative (ESPI) & First Time Through (FTT)
- Supplier Change Requests / Tool Moves
- Concern Management
- Supplier Performance Reporting (previously communicated via VIN)
- Annual Revalidation Requirements
- Cost Recovery

We are very proud of our collective launch and quality performance. However, we must continue to identify and eliminate sources of variation and risk in all processes throughout the extended supply chain. In addition, a few top priorities are completing special process certification, implementation of supplier capacity management, Supplier Production Management Assessments (PMA), increasing the utilization of e-Business capabilities (i.e., ASN’s, etc.), following a robust APQP process to ensure flawless launch and driving supplier shop floor discipline to prevent issues at TRA, our customers and in the field.

We recognize that TRA cannot succeed without the superior quality, cost, service and technology offered by its supply base. We are excited to continue our strong working relationship with you and drive toward continuous improvement.

Thomas Gill
Director
Global Purchasing

Jeff Carrey P. Eng.
Senior Manager
Lean and Quality NA

Dr. Guido Stock
Quality Manager EU

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Section 1 – Introduction

1A. Policy and Vision

It is the policy of TRA to achieve a clear competitive advantage through continuous improvement in quality, service, delivery and cost from our suppliers within the total supply chain.

It is the vision of TRA that suppliers shall:

- Do it Right the First Time by planning, preparing, and being trained to supply quality products and services.
- Do it Right Every Time by assuring consistent quality products and services through addressing all concerns.
- Continually improve by proactively improving the quality and value of products and services.

1B. Purpose

The purpose of this Global Supplier Quality Manual (GSQM) is to specify the TRA quality system requirements for our suppliers. These requirements extend from supplier qualification to new product development to serial and past model service production.

1C. Scope

This manual applies to all external direct material/service suppliers, including sub-tier special process suppliers, i.e., heat treat, coating, plating, etc. This manual applies to indirect material/service suppliers only when it is required by a TRA Purchase Order.

1D. Responsibility

- Suppliers are responsible for meeting the GSQM requirements. Failure to meet these requirements may result in the loss of existing and/or future TRA business, in addition to reimbursement of costs to TRA for issues resulting from those failures.
- Suppliers shall ensure that their direct material/service suppliers comply with the requirements of IATF 16949: latest version.
- Suppliers shall adopt the standards of Zero (0) Defects and 100% On Time Delivery to TRA. Suppliers shall understand that established PPM targets do not necessarily represent an Accepted Quality Level, but may be an intermediate continuous improvement step toward shipment of components/materials meeting the Zero Defects requirement.
- Suppliers are expected to comply with OEM specific requirements.
- Suppliers are expected to notify the TRA Supplier Development Engineering (SDE) immediately when made aware of a potential safety issue.

1E. Document Location

This manual is distributed via the TRA website at https://www.vinls.trca.thk.com/. Printed copies are considered uncontrolled documents. While TRA will communicate to suppliers major revisions to this manual, suppliers are expected to remain up to date on TRA requirements by frequently visiting the TRA website. Visiting this website should become a business routine as TRA uses web based communications and applications. Forms and documents referenced throughout this manual can be found in the GSQM documents download on the Vendor Information Network (VIN) home page. Questions regarding this manual should be directed to the TRA contacts listed on the TRA website https://www.vinls.trca.thk.com/.
1F. Language

TRA official language is English. All official communication with TRA will be done in English. Documents (including PPAP and APQP documents) may display the native language but must also include an English translation. For this manual, English is the only controlled version.

1G. Global Supplier Development Process

TRA Global Supplier Development follows a series of processes/procedures that have been defined as the TRA Supplier Development Process. This details the methods and tools used by Supplier Development Engineering (SDE) and Supplier Quality Assurance (SQA) from the initial assessment at a potential new supplier location through launch and into intensive supplier improvement and tactical monitoring within operations. The figure below depicts the product development stages starting with Concept Validation.

![Figure 1: Global Supplier Development Management Process](image)

TRA product development process, Global Development Product Introduction Management (GDPIM) initiates with the quoting process to our customers. Once TRA is awarded a program, engineering develops concepts to meet customer specifications and requirements. The process continues on to validation of the design (DV).
The next phase is the development of the product and process. The TRA cross-functional GDPIM team work together with the customer to assure the product meets all performance and appearance (where applicable) requirements. During this phase, suppliers develop the tooling and processes to provide material for future serial production. Also during this period, many suppliers will be required to supply components/materials for equipment tryouts and product validation (PV) builds and testing. Suppliers should also be developing ramp-up plans to meet initial production requirements and creating contingency plans to address catastrophic events that would prevent the supply of materials under normal production conditions.

Suppliers will participate in Safe Launch Planning (SLP) and execution as developed in the Product Characteristic Matrix (PCM). Per the component specific PCM, for a pre-determined period of time or number of components, the supplier and the TRA facility will employ an expanded inspection process on key characteristics. The supplier shall continue to use the validated process once the program transitions from Launch into Production. TRA’s approval is required before implementing any changes to that validated process. Suppliers whose performance does not meet agreed goals and metrics during this process will be subject to one or more intensive improvement tools.

1H. Government Regulatory Compliance, Corporate Social Responsibility & Sustainability

TRA shall comply with all applicable laws, governmental regulations and rules in the countries in which it operates. TRA suppliers shall also comply with all applicable governmental regulations in countries in which they operate. These regulations relate to the health and safety of workers, environmental protection, use of toxic and hazardous materials and free trade. Suppliers should recognize and comply with applicable government regulations including those in the country of manufacture as well the country receiving the products and the final country of sale.

Suppliers should be able to estimate greenhouse gas (GHG) emissions, energy and water usage and the generation of wastes from manufacturing, testing and engineering facilities.

Furthermore, TRA supports the Automotive Industry “Guiding Principles to Enhance Sustainability Performance in the Supply Chain” (see next page) and expects that our suppliers will uphold these standards and cascade them down their supply chain. The guidelines describe the automotive industry’s minimum expectations towards business ethics, working conditions, human rights, and environmental leadership.

Suppliers shall enforce policies which provide a safe and healthy workplace, protect the environment, promote human rights and provide equal opportunity for employees at all levels of the company, as well as provide access to vehicles which encourage training and development. In addition, suppliers are to engage in sound and ethical business practices in all business dealings.
Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain

We endeavor to achieve excellence, innovation and performance in a sustainable manner. People and the environment are the automotive industry's most important resources. For this reason, we are working together to attain the highest standards in business integrity and in the social and environmental performance of our supply chain.

The automotive industry supply chain has a high degree of complexity, therefore we believe in the benefits of a common approach and message. The following guidelines clearly describe our minimum expectations towards business ethics, working conditions, human rights, and environmental leadership, for our suppliers as well as their subcontractors and suppliers. We expect that suppliers will uphold these standards and cascade them down their supply chain.

These guidelines are based on fundamental principles of social and environmental responsibility that are compliant with local law, consistent with international expectations and are supported by the sponsoring Auto Manufacturers. Individual manufacturers may have their own standards, codes and policies that supersede these guidelines.

Business Ethics

The basis for sustainable and successful business activity is to have integrity and transparent business practices. Companies are expected to operate honestly and equitably throughout the supply chain in accordance with local law, including those laws pertaining to:

- Anti-Corruption
- Anti-competitive Business Practices
- Protection of Intellectual Property
- Respect for Company and Personal Data
- Export Controls
- Conflicts of Interest

Working Conditions and Human Rights

Child Labor and Young Workers
Child labor should not be tolerated and the age of employment must be in accordance with local labor law.

Wages and Benefits
Compensation and benefits should be competitive and comply with applicable local laws, including those relating to minimum wages, overtime compensation, and legally mandated benefits.

Working Hours
Working hours, including overtime, should comply with applicable local laws regulating hours of work.

Forced Labor
Any form of forced or compulsory labor, including human trafficking, should not be tolerated.

Freedom of Association
Workers should be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. Workers should have the right to associate freely, to join or not join labor unions, seek representation, and join workers' councils in accordance with local laws.

Health and Safety
Workers should have a safe and healthy working environment that meets or exceeds applicable standards for safety and occupational health.

Harassment and Discrimination
Harassment or discrimination against employees in any form is not acceptable.

Environmental Standards

Companies are expected to pursue effective environmental protection throughout the supply chain in order to reduce the environmental footprint of our products throughout their life cycle. All products manufactured within the supply chain, and the applied materials and substances used in the process are expected to meet environmental standards for design, development, distribution, use, disposal or recycling. Such a comprehensive approach includes but is not limited to:

- Reducing energy and water consumption
- Reducing greenhouse gas emissions
- Increasing use of renewable energies
- Enhancing appropriate waste management
- Training of employees

Businesses are expected to support a proactive approach to environmental challenges, and encourage the development and diffusion of environmentally friendly technologies.
European Automotive Working Group on Supply Chain Sustainability

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March 2014
1I. Health, Safety & Environmental Protection

TRA promotes strong relationships with its suppliers and the supply chain to minimize Health, Safety and Environmental (HS&E) risks and impacts and prevent business interruption and damage to our reputation. These relationships should also be used to reduce total costs by carefully considering all costs; direct and indirect, associated with the acquisition of goods and services.

HS&E performance shall be included in the criteria for the selection and continued use of suppliers and must be assessed as part of the Supplier Quality Assurance (SQA) process. HS&E requirements should be considered similar to any other specification and supplier’s conformance to them documented accordingly. TRA’s HS&E criteria are described as follows:

   a. Suppliers with chronic non-performance may be nominated for placement on bid suspension and/or new business hold.
   b. Suppliers must submit screenshots of their IMDS classification as part of the required PPAP documentation.

2. International Standards - ISO 14001 Certification: latest version
   a. Highly recommended and expected but not mandatory.

Suppliers are strongly encouraged to evaluate emerging issues that could impact HS&E and Corporate Social Responsibility.

Suppliers shall, upon request, provide evidence of adherence to HS&E legal requirements and the HS&E standards specified in this document.

1I.1 Environmental Guidelines

Many automakers and suppliers, including TRA, are convinced that the future and permanent protection of our environment, land, water and air can only be achieved through the joint efforts of industry, government and society. Top priority will be to strive for continuous improvement in environmental performance. This will be accomplished through the development of new products, processes and working methods that further enhance our environmental performance. We strive for economical use of raw materials, energy, water and other goods and will fully consider the life cycle of our products through production, use and disposal. The environmental impact of our products during manufacturing includes both manufacturing at TRA and that of our suppliers. This means that TRA and our suppliers must perform activities such that the impact of those activities on the environment is minimized. We therefore expect our suppliers to be actively engaged with environmental concerns and establish and adhere to environmental management as per ISO14001 or other equivalent standard. This does not release the supplier from complying with all relevant national and international regulations.

Registration to ISO14001 is strongly recommended, but supplier must comply with customer specific requirements.
The techniques and methods below are those that we believe are a prerequisite to reach the above mentioned environmental targets:

- Written guidelines regarding environmental performance
- Regular review of production, maintenance, supply and disposal processes and products to determine their environmental impact
- An emergency response plan
- Definition of targets to improve environmental protection and documentation of their fulfillment
- which includes:
  - Safeguarding of resources (raw materials, energy, water)
  - Prevention and reduction of environmental pollution
  - Minimization of waste and rejects
  - Reduction of expendable packaging
- Compliance with all automotive regulations regarding materials and substances
- A recycling concept/program

### 11.2 Basic Requirements on the Environmental Compatibility of Products

The use and consumption of energy and raw materials shall be managed effectively and with a minimum of logistics and transport over the entire vehicle/component life cycle. For a quantitative assessment of resource efficiency by way of life cycle analysis, the requisite data shall be provided upon request; material consumption, water consumption, total energy consumption (as described in ISO 50001: last version), transport (raw materials) and emissions. Energy conservation is one criterion for supplier selection.

### 11.3 REACH

The European Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) entered into force in June 2007. Suppliers shall comply with all applicable REACH requirements that affect the products that they supply to TRA. TRA expects that suppliers will have a dialogue with their own supply chain and with TRA regarding all applicable aspects of REACH.

Substances of Very High Concern (SVHC) on the REACH Candidate List (CL) is a specific list of substances that are identified as candidates for the “authorization” requirements of REACH Annex XIV. Substances listed on REACH Annex XIV must not be used to produce or be present in materials and components supplied to TRA after the given sunset date. For all newly developed parts, suppliers shall develop suitable substitutes to Candidate List substances. In cases where the supplier is not able to perform the substitution, they must inform their Engineering contact at TRA and secure the necessary approval.

Substances listed on REACH Annex XIV listed substances and to ensure that TRA’s “use activity” is contained in the authorization. Other than certain specific exemptions, continued use of Annex XIV substances after the chemical’s sunset date requires that an authorization for that use be granted by the European Chemicals Agency (ECHA). Authorizations under REACH are granted to individual manufacturers, importers and downstream users for specific use activities.
Suppliers located outside the EU/EEA and export products (parts or materials) to TRA sites within the EU/EEA shall nominate an EU “only representative” to undertake any applicable REACH importer obligations. Note: All supplier requests for change, including those pursued under the requirements of REACH, must be reviewed and approved by TRA as part of the “Supplier Request for Change Process”, refer to section 2C.2.

114. Conflict Minerals

Suppliers in all regions shall provide documentation and other information concerning the origin of any tantalum, tin, tungsten, gold or other minerals that may be designated in the future by the U.S. Secretary of State (collectively referred to as “conflict minerals”) that are contained within any products sold to TRA, in order for TRA to fulfill its obligations under the rules and regulations of the U.S. Securities and Exchange Commission or any other governmental agency. Suppliers are to refer to TRA Conflict Minerals Policy for more information and details.

115. Product Regulatory Compliance & Standard for Control of Prohibited & Restricted Substances

Suppliers in all regions shall ensure that all components and materials supplied to any TRA facility comply with legal requirements.

This standard establishes TRA’s prohibited and restricted materials and reporting requirements for all types of purchased materials, components or items. The requirements are intended to eliminate or reduce the presence of prohibited and restricted substances used to produce or present within those materials and components that are purchased for use by TRA. The substance restrictions of this standard apply to all purchased materials, components or items, including both direct and indirect materials. This standard has replaced previous specifications regarding substance restrictions released by TRA.

Declarable Substance List (GADSL), however, unlike the GADSL which applies to substances that are expected to be present in a material or part that remains in the vehicle or part at point of sale, the substance restrictions of this standard apply to all purchased materials, components or items, including both direct and indirect materials. The GASDL substance restrictions include new substances identified in the "EU Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)". This standard also reinforces the need for suppliers to provide accurate material data to support EU Directive 2005/64/EC on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability as amended by EU Directive 2009/1/EC" (RRR).

The material and component exemption expiration dates contained within the latest revision of EU Directive 2000/53/EC on end-of life vehicles Annex II must be complied with for all parts supplied to TRA. These requirements are updated and controlled within the International Material Data System (IMDS) reporting system which must be used in conjunction with this standard.

Substances of Very High Concern (SVHC) on the REACH Candidate List (CL) is a specific list of substances that are identified as candidates for the “authorization” requirements of REACH Annex XIV http://echa.europa.eu/web/guest/candidate-list-table. Placing a chemical on the SVHC list is an interim step to placing the chemical on the REACH “authorization” list in Annex XIV.
Therefore, TRA restricts the use of REACH Candidate List (CL) substances in purchased materials and components supplied to TRA, and approval by Engineering for use is necessary. For all newly developed parts, suppliers shall develop suitable substitutes to Candidate List substances. In cases where the supplier is not able to perform the substitution, they must inform their Engineering contact at TRA and secure the necessary approval.

Substances listed on REACH Annex XIV must not be used to produce or be present in materials and components supplied to TRA after the given sunset date. For all new developments as well as for parts being produced after the sunset date, suppliers shall develop suitable substitutes. In cases where the supplier is not able to perform the substitution, they must inform their contact at TRA and secure the necessary REACH authorization. In this case, suppliers are responsible for securing REACH authorizations for continued use of any materials or preparations containing REACH Annex XIV listed substances and to ensure that TRA’s “use activity” is contained in the authorization. Other than certain specific exemptions, continued use of Annex XIV substances after the chemical’s sunset date requires that an authorization for that use be granted by the European Chemicals Agency (ECHA). Authorizations under REACH are granted to individual manufacturers, importers and downstream users for specific use activities.

11.6 International Material Data System (IMDS) Reporting, Verification & Safety Data Sheets

To ensure compliance with the various legal and customer requirements, TRA requires its suppliers to report material and substance information for all types of purchased materials, components or items supplied to TRA. All substances and/or materials shall be reported to TRA using the International Material Data System (IMDS) (www.mdsystem.com).

Suppliers shall submit the required IMDS to TRA as soon as possible upon award of new business, but in any case prior to PSW or as part of the PPAP submission. The supplier IMDS information shall be subject to TRA review and approval. Once approved by TRA, the supplier of the material or component shall indicate such approval in the PPAP documentation supplied to TRA regardless of submission level requested. Refer to Section 2B.6, Production Part Approval Process (PPAP) for further explanation of the submission requirements.

The supplier shall also implement procedures or controls necessary to prevent the introduction of prohibited and restricted substances in materials as specified herein into the final product and/or component supplied to TRA.

Certificates of conformance from raw material suppliers may be used to guarantee the absence of prohibited materials as long as an analysis is made of the entire manufacturing process to ensure that all possible areas of material introduction are included. However, it is highly recommended that final product be subject to a chemical analysis to verify the absence of any prohibited materials.

For materials and mixtures, suppliers shall also provide the TRA Buyer and associated TRA Plant locations with Safety Data Sheets (SDS), including hazard information and safe use practices in accordance with the United Nation’s Globally Harmonized System (GHS) of Classification and Labeling of Chemicals and the European Classification, Labeling & Packaging (CLP) regulation.

Any change or update of the legal requirements must prompt a re-check and subsequent update of the data provided to TRA (IMDS submission, SDS, compliance declaration, etc.).

11.7 Product safety Officer (PSO)

A PSO and designated back up is to be nominated and to be in compliance with VDA. The PSO nominee(s) shall be maintained in the THK VIN system.
1J. Quality Assurance Agreement

TRA Global operations shall request this agreement from all suppliers to their organization. It controls both the supplier’s and TRA’s responsibilities and tasks for the key quality processes in respect to the Global Supplier Quality Manual (GSQM) and the legal requirements of specific countries. The supplier is responsible for review of the Quality Assurance Agreement when provided.

Product Line Specific Processes and Procedures

<table>
<thead>
<tr>
<th>TRA Product Line</th>
<th>TRA Region</th>
<th>Document Name</th>
<th>Document Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Global</td>
<td>Quality Assurance Agreement</td>
<td>D_010_4_20_TRA_GLB_EN_Quality Assurance Agreement</td>
<td>Quality Assurance Agreement</td>
</tr>
</tbody>
</table>

1K. TRA Global Logistics Requirements

The TRA Global Logistics manual describes TRA’s supply chain requirements pertaining to scheduling, packaging, shipping, handling and delivery of products. These requirements are part of the terms and conditions of a Supplier’s Purchase Order / contract with TRA. Suppliers are to refer to the TRA Global Logistics Manual for additional information to ensure compliance.

Section 2 - TRA Requirements

TRA supply management requirements are based on four key processes; supplier selection, new product launch, continuous improvement and supplier intensive improvement. These key processes are global in nature as are any of the referenced procedures. In some instances, because of unique system configurations, product lines and regions may have specific processes, procedures and/or forms that may only pertain to conducting business with them. These unique requirements will be found in a table at the end of each section.

2A. Criteria for Selection as a TRA Supplier

2A.1 IATF 16949 Registration

The goal for all TRA suppliers of materials and services affecting production material is to demonstrate compliance to IATF 16949: latest version. Suppliers shall also comply with TRA specific requirements defined in the Global Supplier Quality Manual (GSQM) found at https://www.vinls.trca.thk.com/.

Suppliers to TRA shall have a plan to achieve conformity to IATF16949: latest version. Unless otherwise specified, conformity may be demonstrated by third party certification to ISO 9001: latest version (at minimum) or IATF16949: latest version. Note that certification to this specification will only be accepted when issued by an IAQB recognized registrar. This is consistent with the expectations of TRA’s customers and our business system that complies to IATF16949: latest version requirements. The scope of the requirement affects subassembly, sequencing, sorting, re-work and calibration services in addition to direct material suppliers.
Suppliers and sub-suppliers who are identified as special process providers are to adhere to the specific requirements as set forth in the AIAG manual.

TRA does not have a special policy for IATF16949 latest version exemption for small businesses. TRA expects all of their direct material suppliers to meet the above stated criteria. Additionally, suppliers shall, at minimum, maintain and update their certification status once per year. Suppliers shall immediately communicate any change in certification or status to their respective Commodity Manager and Supplier Development Engineer (SDE). Suppliers are to provide and upload proof of their quality and other pertinent certifications in the Vendor Information Network (VIN) (https://www.vinls.trca.thk.com/).

Failure to upload the latest certification will result in New Business Hold (NBH). Certification status is accessible to suppliers through their scorecard which is updated monthly in the Vendor Information Network (VIN).

TRA requires that its suppliers use the latest Automotive Industry Action Group (AIAG) version of the Advanced Product Quality Planning and Control Plan (APQP), Potential Failure Mode and Effects Analysis (FMEA), Measurement System Analysis (MSA), Production Part Approval Process (PPAP), Statistical Process Control (SPC) and Machinery FMEA manuals as guidelines for their system development.

For these publications, visit http://www.aiag.org.

2A.2 e-Business Capabilities

Suppliers shall have email, Internet access and Internet browser as a minimum for e-Business capability. This is required to participate in TRA’s web based applications and communications. These include but are not limited to:

- Supplier Master
- Measure of Performance System (MOPS)/Supplier Scorecard
- Concern Tracking System
- Program Tracking System
- Supply Chain Portal-Supply Visualization (EDI, ASN)
- Supplier Audit Database (SAD)
- TRA Global Supplier Quality Manual (GSQM)
- TRA Global Logistics Manual (GLM)
- Electronic Requests for Quotations (e-RFQ)
- Value Management Database

TRA VIN Supplier Information

Suppliers are responsible for maintaining contact information in the Vendor Information Network - Supplier Master. The minimum information required includes contact name, title, office and mobile phone number and email address and must be updated prior to shipping product to TRA. These contacts are to include top management representatives and at minimum, a Quality and Logistics contact. These individuals are expected to be available 24 hours, 7 days a week to handle logistics issues and respond to quality related problems and events. These activities may include items such as initiating containment and providing initial response to quality issues, correcting commercial documents, preparing trade program affidavits and certificates of origin or any other country specific or government agency required documentation to facilitate shipments.

It is expected that all suppliers will access VIN at least once per day. Suppliers are expected to submit Advanced Shipping Notices (ASN) via EDI or TRA’s Supply Chain Portal.
2A.3 New Supplier/Location Qualification

New suppliers who wish to supply to TRA shall:

- Demonstrate compliance at a minimum to ISO9001: latest version
- New suppliers who have not completed their registration process may be awarded business on the condition, unless otherwise specified by a customer to TRA, that they successfully pass the New Supplier Assessment Audit (NSA) and have a reasonable plan to meet the GSQM and IATF 16949 requirements
- Meet all commercial and financial requirements of the relevant TRA product line
- Complete the Supplier Questionnaire (D_010_4_03_TRA_GLB_EN_Supplier Questionnaire)
- Successfully pass a TRA New Supplier Assessment Audit (D_020_4_07_TRA_GLB_EN_NSA) with an overall minimum score of 80% including commodity specific elements where specified. Guidelines for this audit are located in the New Supplier Assessment Audit Procedure (D_020_4_06_TRA_GLB_EN_NSA procedure).

New locations for approved suppliers to TRA shall:

- Demonstrate compliance at a minimum to ISO9001: latest version
  a. Uncertified locations with more than 12 months of operation experience are eligible for certification to IATF 16949.
  b. Those facilities with less than 12 months of operation will need to contact their registrar regarding qualification for a Letter of Conformance.
- Complete the Supplier Questionnaire (D_010_4_03_TRA_GLB_EN_Supplier Questionnaire)
  • Successfully pass a TRA New Supplier Assessment Audit (D_020_4_07_TRA_GLB_EN_NSA) with an overall minimum score of 80% including commodity specific elements where specified. Guidelines for this audit are located in the New Supplier Assessment Audit Protocol. (D_020_4_06_TRA_GLB_EN_NSA procedure).

Suppliers directed for use by a TRA customer shall also meet the criteria defined by this document.

2A.4 New Supplier Assessment Criteria

During supplier selection and assessment, TRA will perform various audits to confirm supplier capability beyond the certification level. The primary focus areas are depicted in Figure 2 below. Suppliers that initially do not score acceptably may be allowed to develop action plans and timelines to correct any deficiencies and then request a re-audit to verify implementation of these actions.
New Supplier Assessment

Figure 2: New Supplier Assessment Cover Page (Example)
2A.5 Sub-Tier Supplier Management

Suppliers to TRA shall have capabilities to manage their respective suppliers (regardless of how directed) including PPAP submission (see Section 2B.6), supplier performance, APQP disciplines and periodic auditing. TRA, when deemed necessary, will audit the critical processes of sub-tier suppliers to assure that proper controls are in place throughout the entire supply stream. Suppliers to TRA shall ensure they audit and manage critical processes such as heat treating and plating and when directed, use the designated format. Special process audits are to follow AIAG’s CQI-9 (Heat Treat), CQI-11 (Plating), CQI-12 (Coating), CQI-23 (Molding), CQI-15 (Welding) and CQI-17 (Soldering) requirements. These sub-supplier certifications and/or self-assessments must be uploaded and maintained in VIN. Action plans to address gaps are to be uploaded into the VIN system where required. Sub-tier suppliers have a tremendous impact on the quality of the final component. Whether they provide raw materials, services or sub-components their influence is so profound that it is critical for each of TRA’s suppliers to have a supplier management system in place. This system shall include a function that tracks and reports the quality and delivery performance of their sub-tier supply base. Suppliers must be able to demonstrate effective management of sub-tier suppliers through documented, corrective actions and verification activities.

The supplier must provide the contact name and information, a valid CQI-9, CQI-11, CQI-12, CQI-23, CQI-15 and CQI-17 assessment for related sub-supplier at the time of RFQ, Pre-Sourcing Technical Review and Design Review or during APQP as TRA reserves the right to audit the proposed supplier. The same criteria will be applied for in-house heat treatment processes.

2B. New Product Launch Requirements

2B.1 Introduction

New Product Launch initiates at design concept and runs through production of a new component or assembly. When specified by the TRA SDE, suppliers shall use the TRA Global Supplier Development Management Process (Figure 1) when launching new product for TRA. The TRA New Product Introduction team will define the component priority during the product development cycle. This designation determines the involvement of TRA Supplier Development in the APQP and launch process of suppliers. All suppliers, regardless of component priority, shall use a disciplined launch and APQP process.

TRA has an electronic APQP and PPAP system available for use by suppliers called the Program Tracking System (PTS). There is no cost for use of this system. Suppliers will use PTS when notified through the Vendor Information Network (VIN) that tasks are to be completed.

It is essential that suppliers meet the necessary timelines for each project as set forth in PTS. In addition, completeness and accuracy of documentation submitted is vital to ensuring successful PPAP and launch. Failure to meet timing or PPAP requirements will impact the supplier’s performance rating and standing with TRA. Supplier launch performance is monitored via the Measurement of Performance System (MOPS). See Section 2.D.2 – Supplier Performance Reporting for more information.

2B.2 Advanced Product Quality Planning (APQP)

Suppliers should provide APQP status reports for new products with regard to meeting program objectives including quality, cost, performance and timing. TRA will provide the format, frequency and the required content of these reports. TRA prefers their suppliers to use the forms included in this document. Suppliers shall use the TRA forms available through this manual, and should complete those forms in English. Suppliers who wish to use an alternative format shall contact their Supplier Development Engineer and demonstrate
equivalency between the forms before any submission is made. When required, suppliers shall use TRA’s online reporting system for Program tracking.

Suppliers to TRA are responsible for managing their new product introduction process to the guidelines provided in this document. TRA’s APQP process consists of five phases as shown below. Figure 3 shows the deliverables for the five phases.

**Figure 3: APQP: Phases 1-5**

**APQP-1**
This is the “Kick-off” phase. It begins once the supplier has been awarded new business. During this phase, TRA and the supplier define the key milestones, review time lines, follow up and expand on a detailed technical design review of product requirements and establish deliverables and expectations. This activity creates the foundation for the phases that follow. See Figure 3 for phase details.

**APQP-2**
This phase represents the span of time during which the supplier completes designs for their tooling, assembly lines/cells, gauging and identifies additional capital equipment required to manufacture the component/material. Figure 3 details the deliverables in this phase.

**APQP-3**
This phase starts with the supplier’s direction to manufacturers of the tooling, capital equipment, assembly cells and/or gauging and ends with the approval to ship product. The supplier shall collect data required to assure that the manufactured items meet drawing, specification and capacity requirements before approval to ship is given. See Figure 3 for further detail.

**APQP-4**
This is the Pre-PPAP or Pre-Validation phase. This phase starts with the delivery of the tooling, capital equipment, assembly equipment and/or gauging to the supplier’s facility. It ends with the completion of the
PPAP production run. The critical activity in this phase is the first parts off tool review by the supplier and subsequent tuning of the process to produce components/material that conform to the drawings and specifications. See Figure 3 for further detail.

APQP-5
This phase is the Product and Process Validation and Launch stage of the process. During this period, the supplier completes and submits a Production Product Approval Process (PPAP) package in the VIN - Program Tracking System (PTS) for disposition. It is vital suppliers meet timing and quality of event requirements as designated for the specific product and program. See Figure 3 for further detail.

As stated previously, regardless of component/material complexity, every supplier is expected to conduct and execute an APQP process. Suppliers who wish to use reporting formats other than those defined in this document shall have written approval from their respective Supplier Development Engineer (SDE).

Determination of Manufacturing Feasibility will be required for every new or modified product design or manufacturing process based on engineering specifications or changes. Additionally, the Manufacturing Feasibility form will be signed by the supplier and product/applications engineer at the end of a Design Review to document consensus on the manufacturability of the component/material that is the subject of that review.

The Supplier Capacity Planning & Commitment form is to be completed and submitted as part of the Request for Quotation (RFQ) and after Design Review.

### Product Line Specific Processes and Procedures

<table>
<thead>
<tr>
<th>TRA Product Line</th>
<th>TRA Region</th>
<th>Document Name</th>
<th>Document Number</th>
<th>Description</th>
</tr>
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<td>Manufacturing Feasibility Sign-off Form</td>
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<td>Automotive</td>
<td>Global</td>
<td>Supplier Capacity Planning &amp; Commitment</td>
<td>D_020_4_14_TRA_GLB_EN_Supplier Cap Planning</td>
<td>Supplier capacity verification form</td>
</tr>
</tbody>
</table>

### Key TRA global APQP events/forms required to be developed and submitted through PTS are:

- **Supply Chain Map** – A pictographic layout of all the sub-tier contributors to any given component, or family of components, starting with the raw material supplier and ending with the TRA using plant(s). This document shall include services that directly affect the production material, including heat treat, plating or coating, secondary operations, 3rd party warehousing, etc. If distributors are used, the supply chain must include the actual production supplier(s) and service providers. This document is a foundation to the **Product Characteristic Matrix (PCM)** and will also be used to document the lot traceability from the lowest tier i.e., raw material to the finished product (Figure 4).

- The **Product Characteristic Matrix (PCM)** is generated at the Design Review or as part of Pre-Sourcing Technical Review Workbook and is updated as the APQP process progresses. (NOTE: For those components and materials that do not require a formal TRA Design Review, the supplier shall use the PCM to submit summary process capability results as part of their PPAP package.) This document links designated and high Risk Priority Number (RPN) ranked features with the identified controls. The rating of Severity, Occurrence and Detection, associated with the potential failure mode must be in compliance with AIAG criteria ranking values. Identified Customer Touch Points (CTPs) and Pass Thru-Characteristics (PTCs) must be included on the PCM. Suppliers must submit a Measurement System Analysis (MSA) and demonstrate process capability for all identified Customer Touch Points and Pass Thru-Characteristics.
The PCM also drives the identification of sub-tier suppliers who have an impact on these features and documents the controls they have established. Suppliers may use this document in support of the Pre-Production Control Plan; assuring product is manufactured under controlled conditions and meets the drawing and specification requirements. The Safe Launch Plan (SLP) is formulated using this document, when required.

**Figure 4: Supply Chain Linkage**

- **Supplier Component / Process Design Review** - A formal drawing and validation plan review involving a TRA cross-functional team and supplier. This is a key event in the APQP process. Suppliers shall conduct an internal design review before attending any reviews held by TRA. It is also beneficial for suppliers to invite representatives from their sub-tier suppliers to join their team for this meeting. The SDE shall generate an action plan based on the open issues discussed during the review and will follow-up with all responsible parties to assure timely closure of those issues. The Manufacturing Feasibility Sign-Off form (D_020_4_16_TRA_GLB_EN_Manufacturing Feasibility) will be updated and signed by the supplier and product/applications engineer at the end of a Design Review to document consensus on the manufacturability of the component/material that is the subject of that review.

- **Launch and Production Readiness Audit (LRA)** - A score-based audit of the production process status and the supplier’s plan to meet new production ramp-up. This score assesses the state of readiness of the supplier’s process. All non-conformances are to be documented in an open issues list and require an action plan. Once all open issues have been addressed and a score of 90% has been achieved, the LRA is updated to reflect successful completion (Figure 5).
Figure 5: Supplier Launch Readiness Audit

- **Supplier Run at Rate** - A formalized production capacity study that verifies proper cycle times, quality expectations and yields. For all new components, all suppliers regardless of priority rating are expected to complete and submit a copy of the Run at Rate Verification form when submitting their PPAP package. Data collected during the supplier PPAP run may be used for the initial Run at Rate. The SDE will notify the supplier when they will be present during the initial and/or final Run at Rate event. All open issues must be documented and tracked to closure.

- **Supplier APQP Open Issues List (OIL)** - Documents all open issues that arise throughout the APQP process and the respective corrective actions.

- **Safe Launch Plan** (Dual Launch Netting, Pre-Launch Control Plan, etc.) - A joint effort between the supplier and TRA to have similar Pre-Launch Control Plans at both the shipping and receiving facilities. Safe Launch Plan (SLP) requires the creation of a Pre-Launch Control Plan, an enhancement to the supplier’s Production Control Plan. The implementation of an elevated, short-term Quality Inspection process is also required. Safe Launch Plans will be documented using the Product Characteristics Matrix (PCM) and shall be signed-off by the Supplier, TRA SDE and plant SQA representative. Suppliers will be required to submit data to the using plant(s) and/or the Extra Safe Launch Process (ESLP) team as part of this process. Suppliers must utilize the latest version of the PCM for all pre-production shipments and all serial production shipments until the Safe Launch Plan (SLP) exit criteria has been met. Suppliers shipping parts under the Safe Launch Plan (SLP) shall create a separate label placed on each container showing “SLP” to indicate these parts. (See Figure 6 for an example) Exit criteria for the Safe Launch Plan is shipment of zero defect parts that meet either the defined period of time or number of pieces. Any defect discovered during the SLP period restarts the event to “0” pieces shipped.
Three key documents also associated with advanced quality planning are the Process Flow Diagram (PFD), PFMEA, and Control Plan. TRA has definitive expectations for these documents that suppliers shall comply with.

**Process Flow Diagram (PFD)**

- Shall define the entire process flow starting with Receiving Inspection and finishing with Packaging and Shipping.
- Shall include any sub-tier, or outside, suppliers, along with the names of those suppliers.
- Shall include machine numbers or unique identifiers that reflect what has been approved as part of the process. Suppliers shall identify those operations linked to the manufacturing of features identified by special characteristics.

**Process Potential Failure Modes & Effects Analysis (PFMEA)**

Unless otherwise specified, suppliers shall:
- Use the latest AIAG Potential Failure Mode & Effects Analysis (PFMEA) manual as the basis for creating this document.
- Shall follow the flow established in Process Flow Diagram.
- Failure modes shall include designated characteristics from the TRA drawing in addition to the process and tooling based items.
- The PFMEA shall be used as a continuous improvement tool. Suppliers shall be able to document continuous improvement efforts derived from RPN rankings below their target value for improvement actions. Suppliers can prioritize their activities based on Number of RPNs vs. current performance.
- The PFMEA should show a direct linkage from the DFMEA. DFMEA severity ratings should carry over to the PFMEA as well as the marking of Critical and Significant Characteristics.

**Control Plan**

- The Control Plan shall appropriately reflect the same steps and flow established by the Process Flow diagram and PFMEA.
- The Control Plan shall include all features, characteristics and notes with special consideration to those designated as special characteristics (see 2.B.7). Each product line and/or region uses a unique set of special characteristics. Please see your SDE for those that affect your components. If a supplier ships to multiple regions or product lines, contact your SDE for each product line/region to get all of the special characteristics affecting the components/materials your company supplies.
- Annual revalidation must be included as an item on the Control Plan and suppliers will specify features, characteristics and notes that are to be included in the annual revalidation package.
- The control plan shall include the Safe Launch Plan (SLP) controls when used based upon the Product Characteristic Matrix (PCM).
- Refer to the PPAP Checklist as reference for other requirements relating to the Control Plan (i.e., sampling to be quantity based, not time based).
2B.3 Packaging and Labeling

TRA and suppliers shall agree upon the packaging plan as part of the APQP process. Additional requirements can be found in the TRA Global Logistics Manual. Suppliers providing product to multiple TRA operating units on a global scale shall work with each location to assure the packaging is sufficiently robust to withstand shipment by land, air, sea, etc. and arrive on time without damage, to include all elements of the packaging such as external containers, racks, supports, internal separators, pallets, wrapping, returnable’s, etc.

Please note: APQP/PPAP approval does not absolve the supplier of responsibility to improve packaging if it is not fit for its intended purpose.

TRA expects suppliers to conduct periodic dock audits on packaged materials. Evidence of these audits shall be retained with other lot inspection documentation.

- Suppliers, regardless of the manufacturing location, shipping to a TRA facility shall meet All TRA requirements found in the Labeling Requirements table (Product line specific requirements are listed below). Product Line specific requirements do not necessarily supersede the TRA global requirements.

<table>
<thead>
<tr>
<th>TRA Product Line</th>
<th>TRA Region</th>
<th>Document Name</th>
<th>Document Number</th>
<th>Description</th>
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<td>Automotive</td>
<td>Europe/NA</td>
<td>TRA International Routing Guide</td>
<td>D_010_4_41</td>
<td>TRA specific guidelines for shipments</td>
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<td>Automotive</td>
<td>Global</td>
<td>Keep Separate Label</td>
<td>GSQM-150</td>
<td>Label to segregate material not for production</td>
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<td>Automotive</td>
<td>Europe</td>
<td>Packaging Instruction Form</td>
<td>GSMCE-001</td>
<td>Packaging instruction PPAP form</td>
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<td></td>
<td>Packaging Instruction Form - Example</td>
<td>GSMCE-002</td>
<td>Example of Packaging instruction PPAP form</td>
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<td>Packaging instruction PPAP form</td>
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<td>Packaging Instruction Form - Example</td>
<td>ENG076</td>
<td>Example of Packaging instruction PPAP form</td>
</tr>
</tbody>
</table>

2B.4 Material Certification Requirements and Control in Production (All Materials – Metallic and Non-Metallic)

Material Certifications shall be submitted per DIN EN 10204:2004. Unless specified differently by TRA, the minimum Inspection Certificate shall be in compliance with Type 3.1 and certification must represent the lot of material that is shipped. Material Certifications must flow through and be available throughout the entire supply chain.

For product containing chemicals and resins that include UV, heat resistant or other additives effecting performance of final product, an elemental analysis is required as part of the material certification (example, FTIR, EDX, etc). This is required to ensure each batch matches the required formulation. The content of material
Certification is defined and approved as part of PPAP submission. This content must be carried forward for all subsequent material certifications required during serial production.

<table>
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<th>Material Certification Submission &amp; Retention Requirements:</th>
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<tr>
<td><strong>Test</strong></td>
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<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>Physical, Mechanical, Chemical, &amp; Electrical Properties</td>
</tr>
<tr>
<td>Melt Flow Rate</td>
</tr>
<tr>
<td>Flammability</td>
</tr>
<tr>
<td>FTIR Analysis for UV, Impact, &amp; heat additives</td>
</tr>
</tbody>
</table>

S Submitted to TRA / R Retained at TRA’s Component Supplier
1 Certification of Analysis according to test sample plan approved by TRW
FTIR - Fourier transform infrared spectroscopy
EDX - Energy dispersive X-Ray
AA - Atomic Absorption

Suppliers shall maintain a copy of all procured raw material certifications, which must be readily retrievable and shall include material specification, description, alloy or resin and condition. The supplier shall maintain the mill certification for procured metallic material that shall include physical properties, chemical analysis and lot numbers. At a minimum, certification must be less than one year old and must be submitted or retained per table above (Figure 7).

Beyond material certification requirements, it is important that error proofing and visual aids are employed to ensure the correct material is used during serial production. TRA guidelines are to be applied during the APQP process to establish proper controls in the process. It is the supplier’s responsibility to ensure ongoing adherence and control during production.

28.5 Lot Traceability

All suppliers to TRA shall have an effective lot definition and traceability procedure. The shipper number will be linked to the lot traceability procedure in such a way that the delivered product, unless otherwise approved in writing by the TRA Supplier Development Engineer, can be traced back to the raw material. The maximum size of a lot shall consist of one shift or eight hours of production, whichever is smaller. For Bulk Processes, lot size may be defined by quantity and vary based on process/production equipment. TRA reserves the right to specify a maximum batch size. The lot definition shall reflect all significant processes influencing the component/material with the shipping lot number reflecting the last value added operation. Suppliers shall ensure that their lot traceability system maintains its integrity throughout the entire extended supply chain, including raw material and purchased components/products.

The lifeline of many components begins and ends within the facility of the supplier. There are those components, however, that require processing by outside companies to finish the process stream. These may include heat treat, coining, grinding, coating and other various processes. If the original lot was batch processed through the different secondary processes, there would be no need to change the original lot number. However, if the batch is split at a secondary processor, then the lot number for each of the batches should be unique.
Once manufacturing/assemble begins, a lot number is changed if:

- One shift of production or eight hours is reached.
- A new lot of raw material is being used.
- The components undergo another value added process and the original lot is divided during processing.
- The lot number changes on any one of the components being used.

When required, the supplier may need to implement:

- Serialized (maintains a one-to-one relationship between the finished goods’ serial number and the components’ serial number) lot traceability; or
- Specific Lot (maintains a one-to-one relationship between the finished good serial number and the components’ lot numbers) traceability for certain programs.
  - To clarify the difference between this and general traceability, consider a supplier who stamps a given component. After stamping, two fasteners are then pressed into the stamping. General traceability is where there is no lot traceability between the stamped component and the assembled parts. Specific traceability would be where the lot numbers of the assembled components are traceable through the lot number of the stamped component.

For safety/critical parts, the required retention time for Lot Traceability records shall be found in Section 2C.8.

### 28.6 Production Part Approval Process (PPAP)

Suppliers shall ensure that PPAP documentation and sample submissions are in accordance with the requirements of the latest edition of the Automotive Industry Action Group (AIAG) PPAP Manual. Supplier shall deliver PPAP documentation and samples submissions for all changes in design, process, layout, compounds etc.

- See the details in Table 3.1 of the AIAG PPAP Manual Suppliers shall only submit PPAP packages for production-released drawings and a copy of this drawing shall be included in the submission package. Each supplier is responsible for meeting all these requirements before submission to TRA, including obtaining TRA approvals for any change requests.

Suppliers will be requested to submit the PPAP package in an electronic format by one or more of the product lines and regions via the TRA Program Tracking System (PTS). In these instances, suppliers must be prepared to comply with these requests.

TRA has established a global PPAP validation requirement that further defines submission levels, including what the supplier submits and/or retains (see Figure 8). The order that the package is to be organized is indicated in the TRA Number column. Suppliers should use the forms identified in the AIAG PPAP manual or those provided through PTS. Suppliers may use their forms only if they are equivalent to the AIAG forms and if they have the written approval of the TRA SDE. TRA may require suppliers to submit a validation package that contains additional documents and forms beyond those required by AIAG. In addition, the supplier is responsible for all sub-tier PPAP submissions and approvals, including those suppliers TRA has directed for use. A PPAP Checklist is available and is to be used to assure the submission meets TRA’s expectations.

For all new components and materials, suppliers shall submit with the validation package a copy of the ELV/IMDS Reporting verification and screenshot from the IMDS system showing acceptance. This form verifies the submission of End-of-Life Vehicle component content. If this document is not submitted, TRA will not approve the PPAP submission.

Suppliers of plastic components to TRA are required to comply with regrind levels specified on the component’s drawing. Components produced throughout the APQP process, including DV, PV, and PPAP, shall be representative of the maximum allowable regrind and confirmed by certified laboratory analysis. Additionally, suppliers are responsible to assure that the component’s PFMEA and Control Plan specifically address and control this requirement.
Supplier submission of a non-conforming or late PPAP package will be recorded as a supplier performance failure and could affect the supplier's performance rating. TRA will determine the Level of PPAP submission and any special requirements if applicable.

When applicable, suppliers shall include in the PPAP submission the Engineering Specification (ES) test plan and the ES test results. An approved/accredited laboratory shall conduct the ES tests.

Standard catalog purchased components that do not go through the PPAP process based on a product line decision, are to be considered as approved components.

TRA tracks as a key supplier metric, the accuracy of PPAP submissions from its global supply base called the “First Time Through” (FTT). To help improve supplier PPAP performance, TRA has solicited a third-party company to train, mentor and provide technical consultation and review of PPAPs prior to submission to TRA. The cost for this initiative will be paid by the supplier.
### PPAP Submission Requirements

<table>
<thead>
<tr>
<th>AIAG PPAP Manual</th>
<th>TRA Requirement</th>
<th>Production Part Approval Process</th>
<th>PPAP Submission Level</th>
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<td>Ref AIAG PPAP Manual</td>
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<td>Part Submission Warrant</td>
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<td>Design Records (Drawings, Specifications)</td>
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<td>3</td>
<td>Product Line Specific, GSQM Section 2.C.2</td>
<td>2</td>
<td>Change Documents, if any</td>
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<tr>
<td>4</td>
<td>--</td>
<td>3</td>
<td>Customer Engineering Approval Documents, if any</td>
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<td>5</td>
<td>Ref AIAG FMEA Manual</td>
<td>4</td>
<td>Design FMEA</td>
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<td>6</td>
<td>--</td>
<td>5</td>
<td>Process Flow Diagram</td>
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<td>Ref AIAG PPAP Manual</td>
<td>10</td>
<td>Material &amp; Performance Test Results &amp; Material Certification</td>
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<tr>
<td>10</td>
<td>Product Characteristic Matrix (D_020_4_20)</td>
<td>11</td>
<td>Initial Process Study (Process Capability Summary)</td>
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<td>Ref AIAG MSA Manual</td>
<td>8</td>
<td>Measurement Systems Analysis (Gage R&amp;R)</td>
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<td>Qualified Laboratory Documentation</td>
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<td>Ref AIAG APQP Manual</td>
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<td>Control Plan</td>
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<td>14</td>
<td>Ref AIAG PPAP Manual</td>
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<td>Appearance Approval Report, if applicable</td>
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<td>15</td>
<td>Ref AIAG PPAP Manual</td>
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<td>Bulk Materials Requirement Checklist (bulk mat PAP only)</td>
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<td>--</td>
<td>14</td>
<td>Sample Product</td>
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<td>Checking Aids</td>
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<td>19</td>
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<td>17</td>
<td>Records of Compliance with Customer Specific Requirements</td>
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<td>Sub – Contractor PPAP status and evidence</td>
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### Additional TRA PPAP Requirements

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<td>Product Characteristic Matrix (PCM)</td>
<td>**</td>
</tr>
<tr>
<td>22</td>
<td>--</td>
<td>ELV / IMDS Verification</td>
<td>R</td>
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<tr>
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<td>--</td>
<td>Logistics, Packaging Plan and Sample Label</td>
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<td>D_020_4_16</td>
<td>Manufacturing Feasibility Sign-off</td>
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</tr>
<tr>
<td>25</td>
<td>D_020_4_12</td>
<td>Run at Rate</td>
<td>S</td>
</tr>
<tr>
<td>26</td>
<td>--</td>
<td>Special Process Approval (Heat treat, Plating, Coating, Anodizing, Welding, Soldering)</td>
<td>*</td>
</tr>
<tr>
<td>27</td>
<td>GSQM-151</td>
<td>Certification of Review**</td>
<td>*</td>
</tr>
</tbody>
</table>

* = Retain at supplier
S = Submit to customer

- The supplier shall retain at appropriate locations and submit to customer upon request.
- ** For European/Asia/Pacific suppliers to TRA Chassis: In the case where a supplier does not attach Design FMEA, Process FMEA and Control Plan for components/assemblies due to confidentiality issue, supplier shall arrange a date of review with the TRA SDE /plant SQE who adds the Certificate of Review to the PPAP folder.

Shaded boxes are required to be submitted with the PPAP package.

---

Figure 8: TRA PPAP Submission Levels
2B.7 Special Characteristics

At a minimum, suppliers shall implement process controls for Special Characteristics as designated on TRA drawings. Additional characteristics deemed germane to be ‘predictors of process stability and feedback’ should also be identified in the supplier’s Control Plan. These relate to product safety, government regulation, product performance and the ability to assemble product and/or customer satisfaction features. These are identified by various symbols requiring specific levels of special controls and process capability.

Unless otherwise specified by a product line and/or region for characteristics/features designated as significant or critical during launch, the supplier must calculate and report the process capability as Ppk.

For those characteristics/features showing a short term capability of less than 2.00 (for critical) or 1.67 (for significant), the supplier must create an action plan that defines the containment and process improvements. Process capability can be conducted with both variable and attribute data. The minimum acceptable sample size for variable data is 125 pieces and for attribute, 300 pieces. Containment must effectively separate non-conforming material from the population.

Containment, generally either 100% inspection or some form of mistake proofing, must continue until such time that the process long term capability demonstrates greater than or equal to 1.67 (for critical) or 1.33 (for significant), unless otherwise specified by a product line designation.

Special focus will be given by TRA to evaluate the capability of all Significant & Critical characteristics and the validity of studies. In order to ensure this, capability reports must include a histogram, control charts and a normality test. Please refer to the latest edition AIAG Manual on Statistical Process Control (SPC) and the TRA PPAP Submission Checklist.

2B.8 Sub-Tier Contractor PPAP Status and Evidence

Evidence of sub-tier PPAP completion and acceptance is required for all sub-tier components and at a minimum, must include the PSW. In addition to the PSW, any sub-tier PPAP that influences a designated characteristic must also include at minimum, Material Certification (includes bulk material where applicable), PFMEA, MSA Study, Control Plan, Capability Study and Safe Launch Plan (SLP).

In addition, this information may be requested for components without designated characteristics at the TRA SDE’s discretion. PPAP elements will be rejected where this information is missing or incorrect.

These requirements are in addition to those identified in Section 2A.5 (Sub-Tier Supplier Management).
2B.9 Prototype Fabrication, Quality Evaluation, Pre-Production Process Changes

For the fabrication of prototype or pre-production parts, suppliers shall imitate the planned production process as closely as possible. For these prototypes, TRA may require that suppliers provide material, IMDS, dimensional, performance or process data. If the prototype and production suppliers are different, the prototype supplier shall share with the production supplier the process knowledge gathered in prototype fabrication. Proprietary information may be withheld by prior agreement with TRA.

The process established to produce parts for validation must not change without prior, written agreement and acceptance from TRA. These changes may include but are not limited to:

- Changes to outside or sub-tier suppliers
- Addition/deletion of capital equipment
- Addition/deletion of tooling and/or gages
- Changes to manufacturing methodology
- Changes to internal secondary processing

Suppliers of prototype parts, when required, shall respond to material concerns.

2C. Serial Production Processes

2C.1 Introduction

Once the manufacturing process for producing a component is successfully validated, the serial production phase begins. During this stage, there are a number of requirements each supplier must be fully aware of and follow. Key areas include change management, concern management, sub-tier supplier management and annual revalidation. Additional expectations are also detailed in the following sections.

2C.2 Supplier Request for Change

Suppliers shall submit a written request via email to the appropriate Commodity Manager with copies to all TRA facilities affected by the proposed product or process change. Where applicable, suppliers are also expected to submit these change requests via any product line specific online change management system or change management email account. In addition, suppliers shall ensure they receive written acknowledgement of receipt from TRA and obtain written approval from TRA prior to implementing the change. This includes changes at sub-suppliers and throughout the supply chain. Additionally, suppliers shall submit a written request for all items listed in Table 3.1 of the AIAG PPAP Manual. Suppliers are also required to submit all supporting validation data including necessary dimensional reports, capability studies, performance testing, before/after process parameters, updated APQP documentation (PFMEA/Control Plan) and a detailed timeline demonstrating proper change control that identifies necessary safety stock/bank requirements including timing for TRA/Customer validation timing and designated resources to manage the change. Supplier shall not submit change requests within 90 days of SOP.

In the case of a “Tool Move” (defined as TRA product changing its manufacturing footprint to a different facility; new or existing) which includes a tool or equipment move and/or new tooling or equipment, TRA reserves the right to chargeback the Supplier for any internal and external costs associated with the “Tool Move” such as but not limited to Product Validation, New Supplier Assessment, Run at Rate, Launch Readiness Audit, PPAP Approval, TRA SDE travel and support costs, etc. TRA reserves the right to assign these extraordinary activities to a 3rd party for project coordination, on-site visits and PPAP approvals and to chargeback the Supplier having initiated the tool move change for these costs.

TRA must act in accordance with ALL customer requirements for change notification and as such, TRA expects the supply base to comply also. Change approval may take an extended period when TRA customer approval is
required. The testing and/or customer qualification process begins when the supplier provides sample parts to meet the TRA validation plan. Changes **shall not** be implemented prior to the receipt of written approval from TRA. **VERBAL REQUESTS WILL NOT BE ACCEPTED.** Below are the defined notification requirements, similar to Table 3.1 of AIAG PPAP Manual, 4th edition.

See TRA Product Line Specific Processes and Procedures at the end of this section for further details and forms.

**TRA Notification and Submission Requirements**

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Clarification or Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Use of other construction or material than was used in the previously approved part or product</td>
<td>For example, other construction as documented on a deviation (permit) or included as a note on the design record and not covered by an approved engineering change and PPAP approval.</td>
</tr>
<tr>
<td>2. Production from new or modified tools (except perishable tools), dies, molds, patterns, etc including additional or replacement tooling</td>
<td>This requirement only applies to tools, which due to their unique form or functions can be expected to influence the integrity of the final product. It is NOT meant to describe standard tools (new or repaired), such as standard measuring devices, drivers, (manual or power), etc.</td>
</tr>
<tr>
<td>3. Production following <strong>refurbishment or rearrangement</strong> of existing tooling or equipment</td>
<td><strong>Refurbishment</strong> means the reconstruction and/or modification of a tool or machine or to increase the capacity, performance or change its existing function. This is NOT meant to be confused with normal maintenance, repair or replacement of parts, etc., for which no change in performance is to be expected and post repair verification methods have been established. <strong>Rearrangement</strong> is defined as activity which changes the sequence of product/process flow from that documented in the process flow diagram (including addition of a new process). <strong>Minor adjustments</strong> of production equipment may be required to meet safety requirements such as, installation of protective covers, elimination of potential ESD risks, etc. These changes can be made without TRA/Customer approval unless the process flow is changed as a result of this adjustment.</td>
</tr>
<tr>
<td>4. Production from tooling and equipment transferred to a different plant location or from an additional plant location.</td>
<td>Production process tooling and/or equipment transferred between buildings or facilities in one or more locations.</td>
</tr>
<tr>
<td>5. Change of subcontractor for parts, non-equivalent materials, or services (e.g. Heat Treating, Plating, protective or functional coatings) that affect TRA or OEM fit, form, function, durability, or performance requirements.</td>
<td>Suppliers to TRA are responsible for approval of subcontracted material and services that do not affect customer fit, form, function, durability, or performance requirements and demonstrate appropriate APQP, PPAP and shop floor manufacturing discipline! Suppliers <strong>ARE</strong> responsible to communicate and obtain approval for all tiers of supply chain within the manufacturing process!</td>
</tr>
<tr>
<td>Requirements</td>
<td>Clarification or Examples</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>6. Product produced after the tooling has been inactive for volume production for twelve months or more.</td>
<td>For product that has been produced after tooling has been inactive for twelve months or more: Notification is required when the part has had no active purchase order and the existing tooling has been inactive for volume production for twelve months or more. The only exception is when the part has low volume, e.g. service or specialty vehicles. However, TRA or its customers may specify certain PPAP requirements for service parts.</td>
</tr>
<tr>
<td>7. Product and process changes related to components of the production product manufactured internally or manufactured by subcontractors that impact fit, form, function, performance, and/or durability of the salable product. Additionally, the supplier shall concur with any requests by a subcontractor before submission to TRA and its respective customer base.</td>
<td>Any change that affects TRA or its Customer requirements for fit, form, function, performance, and/or durability requires notification to TRA. <strong>Note:</strong> The fit, form, function, performance, and/or durability requirements should be part of TRA/Customer specifications as agreed on during contract review.</td>
</tr>
<tr>
<td>8. For bulk materials only:</td>
<td></td>
</tr>
<tr>
<td>a. New source of raw material with special characteristics from new or existing subcontractor.</td>
<td>These changes would normally be expected to have an effect on the performance of the product.</td>
</tr>
<tr>
<td>b. Change in product appearance attributes where there is no appearance specification.</td>
<td></td>
</tr>
<tr>
<td>c. Revised parameters in the same process (outside PFMEA parameters of the approved product, includes packaging).</td>
<td></td>
</tr>
<tr>
<td>d. Change outside of DFMEA (product composition, ingredient levels) of the approved product.</td>
<td></td>
</tr>
<tr>
<td>9. Change in test/inspection method – new technique (no effect on acceptance criteria)</td>
<td>For change in test method, supplier should have evidence that the new method provides results equivalent to or better than the old (previous) method.</td>
</tr>
</tbody>
</table>

**Figure 9: TRA Notification and Submission Requirements**

Consequences of non-communicated or unauthorized process changes at the supplier’s manufacturing facility or any sub-supplier facility could result in any or all of following actions:

1. Written notification from TRA to the supplier’s Registrar or from TRA to the supplier requesting they notify their registrar of the non-conformance
2. Supplier Bid List status change to fix New Business Hold (NBH) for a period of 3 – 6 months depending on root cause of non-conformance
3. Issuance of Critical A concern and immediate third party containment (controlled shipment) of affected component/product
4. Potential request for independent, third party audit of affected supply chain including ALL affected sub-tier suppliers involved

Reinstatement of supplier to ‘Acceptable’ status will depend on suppliers’ ability to develop effective preventative actions and verification by TRA.
Authorization to ship production material shall be given after the change is communicated through a signed Part Submission Warrant (PSW) after TRA has approved the PPAP for the requested change and that change is coordinated through the using TRA facility or facilities.

Off-Line rework, not included in the original Control Plan, is considered a process change and suppliers shall obtain TRA approval for it as specified above. Rework shall be supported by written operating and inspection instructions. The inspection instructions shall be consistent with an updated production process control plan. TRA will require special identification and segregation of the reworked product.

Suppliers shall request, in writing, a deviation (or concession) before shipping non-conforming material to TRA. A plan to return to normal production and the time required to do so shall be submitted at same time as the written request. Material shipped under an approved deviation shall be labeled with the Deviation Number and its expiration date. For an example, see Figure 10.

![Figure 10: Deviation Label](image)

Product Line Specific Processes and Procedures

<table>
<thead>
<tr>
<th>TRA Product Line</th>
<th>TRA Region</th>
<th>Document Name</th>
<th>Document Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Global</td>
<td>Manufacturing/ Purchasing Change Request</td>
<td>GSQM-130</td>
<td>Describes methodology for requesting /changing a specification</td>
</tr>
<tr>
<td></td>
<td>Global</td>
<td>Change Request Form (MPCR)</td>
<td>GSQM-130A</td>
<td>Change Request form</td>
</tr>
</tbody>
</table>

2C.3 Concern Management

Upon receiving a TRA concern for a quality, launch or delivery issue or non-conformance, suppliers shall implement a containment action within 24 hours. Within 10 working days, unless otherwise specified, the suppliers shall submit a corrective action plan or a reasonable approach to developing one in case of complex issues. These targets are the standard but the initiator of the concern can establish other target dates, if needed. Suppliers shall use a systematic problem solving method such as 8D, 5 Phase, 7-Step, etc. Concern issuance, response and tracking are all online and the supplier(s) shall utilize the TRA Vendor Information Network (VIN) website [https://www.vinls.trca.thk.com/](https://www.vinls.trca.thk.com/). Any delay in implementing of containment or corrective action plan or 8D report completion can be penalized.

Concerns are raised at differing levels reflecting the severity of the issue. Upon receiving an “A-Critical” concern from TRA, unless otherwise specified, suppliers shall complete a detailed systemic review of the root cause, such as 3x5 Why. This analysis shall consider the 3 root causes of the issue, the technical root cause, the detection system root cause and the root cause of the quality system.
Suppliers shall immediately notify all impacted TRA locations upon discovery that they might have shipped nonconforming or suspect product to TRA. Notification shall go to the Quality Manager and the Materials Manager, or in their absence, the Operations Manager of the TRA facility. The suppliers shall notify all TRA facilities receiving the same or similar affected product.

TRA retains ownership rights of all material returned for analysis. If destructive testing is required to determine root cause, TRA shall be notified prior to the testing process. The destruction of any part returned for analysis without written permission from TRA is strictly forbidden. Material associated with a concern, wherein responsibility of failure is indeterminate or disputed, should be returned to TRA for retention unless otherwise agreed in writing.

Suppliers are responsible for all costs and expenses created as a result of any defect on the material supplied and/or late delivery and TRA will recover these costs from the responsible supplier.

The Concern Management Process involves five key processes:

1. Identification and definition of problem (TRA)
2. Reporting and notification process (TRA)
3. Containment response and corrective action (Supplier)
4. PPM defects and rate of occurrence (TRA)
5. Supplier Charge back for quality and/or delivery related expenses (TRA)

Each step lists required and recommended elements for each procedure. Unless otherwise noted, the procedures that follow will be used by TRA. Suppliers are obliged to use or develop their own systems that comply with TRA’s materials rejection and corrective actions procedures.

1. Identification and Definition of Problem - TRA

   A. Shall contain sufficient information to ensure understanding by the supplier of the problem
   B. Shall contain sufficient information to ensure proper and quick containment by supplier and user plant (Information may include lot number, traceability or quantity)
   C. Shall have representative samples available for review and supplier evaluation
   D. Shall have defined severity and/or classification of problems (see section 2.D.2-Supplier Performance Reporting)
   E. Shall contain quantitative information to define the extent of the problem
   F. Shall have a method to distinguish “fit and function” (critical) issues from “nonfunctional” (nuisance) issues

2. Reporting and Notification Process – TRA

   A. Shall include proper identification and definition of problem
   B. Shall use Concern Tracking System (VIN CTS) for reporting and status tracking
   C. Shall have established time frame for reporting and notification
   D. Shall include initiator or contact person at the issuing plant
   E. Shall ensure supplier acknowledgment of receipt of notice or report (CTS automated process)
   F. Shall identify status of material and current disposition
   G. Shall request a return material authorization (RMA), if applicable
   H. Should identify status of material and current disposition
   I. Should include the request for return material authorization (RMA), if applicable
3. Response and Corrective Action - Supplier

A. **Shall** have well-defined procedure for corrective action and response
B. **Shall** have well-defined time frame for corrective action and response
C. **Shall** have formal approval, closure and tracking process
D. **Shall** utilize 8D Process or a similar problem resolution procedure for documenting and verifying corrective action
E. **Shall** utilize VIN CTS for tracking and maintaining corrective actions and responses
F. **Shall** submit responses and corrective actions to the appropriate TRA facility on or before the response required date
G. **Shall** define specific steps for disposition of material
H. **Shall** have a method or process for rescinding invalid or incorrect corrective action requests which are not needed, were generated in error by TRA or where 8D or a similar problem resolution process is no needed

4. PPM Defect and Rate of Occurrence – TRA

A. TRA shall have a well-defined procedure to adjust PPM to verified defective parts
B. The supplier shall acknowledge receipt of returned parts within the time frame dictated by the using plant
C. The Supplier, within the time frame dictated by the using plant, as part of the 8D or a similar problem-resolution process must supply to using plant, at minimum, the following information:
   i. Segregation/containment actions
   ii. Sort results
   iii. Rework plan
   iv. Interim actions
   v. Root causes
D. PPM will include the following:
   i. Quantity of VERIFIED nonconforming production parts
   ii. Quantity reworked and used (on-site or off-site) without a prior authorized deviation
   iii. Initial PPM will include total quantity of suspect parts returned to supplier. This amount will be adjusted later to reflect actual defect quantity if all adjustment policy criteria are met.
E. PPM will not include the following:
   i. Parts that have not been PPAP approved and/or prototypes
   ii. Parts used under a prior authorized deviation
   iii. Warranty returns
   iv. Parts “used as is” supplied on a “use as is” basis
F. Bulk Rejections - Guidelines
   i. Rules for Bulk rejections refer to the following product groups:
      a. Raw materials (such as steel, aluminum, magnesium, plastic resin and brake fluid) and Consumables (such as oils and lubricants)
      b. In addition, the bulk rejection rules should be applied to components for the following reject categories; labeling (mis-labeling of a box/reel or a number of boxes in a lot) and contamination (contamination of a box or a number of boxes in a lot)
G. Bulk Rejection Rules  
   i. First Occurrence – Bulk rejection shall be counted as one (1) quantity nonconformance accompanied by a well-documented QCCAR  
   ii. Second Occurrence – Bulk reject actual number of defects, not rejects, shall be included in the PPM calculation and supplier to be placed on Controlled Shipping Level I  
   iii. Third Occurrence – Bulk rejection; all parts shall be counted against the supplier, included in the PPM calculation and supplier is placed on Controlled Shipping Level II  

5. Procedure for Supplier Charge Backs for Quality Related Expenses - TRA  
   A. Shall have well-defined procedure capturing all associated costs for defective material and related expenses using TRA standard form  
   B. Shall include detailed explanation of components for the charges including hours, rework, cause and cost  
   C. Shall be traceable to applicable CTS concern  
   D. Shall have well-defined authorization and review levels and will be cross-functional including the following company disciplines; quality, purchasing, finance and plant management  
   E. Shall capture all associated costs  

2C.4 Supplier Audits  

TRA employs a number of audit tools in its Supplier Development Process. This starts with the assessment of a potential new supplier who would like to enter into a business relationship with TRA.  

Any supplier of production material to TRA will be requested to participate in one or more of the audit types defined by TRA procedures. When notified of a scheduled audit, the supplier should conduct an internal audit prior to the arrival of the TRA audit team.  

TRA may, at its discretion, utilize independent auditors. These individuals represent TRA and will audit the supplier’s processes to establish conformance to validated quality systems.  

TRA has a web-based audit tool, the Supplier Audit Database (SAD), located in VIN. This system hosts all audit related activities for all levels of audit. Suppliers will be notified, via email, of audit dates. Completed audits will be posted and accessible to all TRA facilities. Suppliers will submit corrective plans through SAD and will have closure of action items tracked through the system.
## TRA Global Processes and Procedures

<table>
<thead>
<tr>
<th>TRA Product Line</th>
<th>TRA Region</th>
<th>Document Name</th>
<th>Document Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Global</td>
<td>New Supplier Assessment Audit</td>
<td>TRA document</td>
<td>Audit to assess risks with potential new suppliers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Supplier Assessment Audit Protocol</td>
<td>TRA document</td>
<td>New supplier audit instructions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Launch Readiness Audit</td>
<td>TRA document</td>
<td>Used during APQP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Launch Readiness Audit Protocol</td>
<td>TRA document</td>
<td>Launch Readiness Audit Instructions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Part and Process Audit</td>
<td>TRA document</td>
<td>Part and Process Audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product Audit</td>
<td>VDA 6.5</td>
<td>Product audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supplier Process Audits (CQI-9, CQI-11, CQI-15, CQI-23CQI-17)</td>
<td>AIAG</td>
<td>Supplier self-assessment of special processes (Heat Treat, Plating, Coating, Molding, Welding and Soldering</td>
</tr>
</tbody>
</table>

### 2C.5 Annual Revalidation

The intent of annual revalidation is to ensure conformance to print, dimensional, performance capability requirements and all applicable TRA customer-specific requirements. Unless otherwise specified, a complete annual layout inspection including all sub-components is required for all components.

All suppliers shall have a plan to annually revalidate their respective production components. This includes all tools and cavities. Suppliers shall make this annual revalidation plan available to TRA upon request.

At a minimum, on an annual basis, TRA product lines will identify suppliers required to submit evidence of revalidation for selected components. Notification, schedule and submittal of Revalidations identified will be submitted through the TRA PTS portal in VIN.

Under special circumstances, Suppliers may be notified by telephone or email. In this case, the requested Annual Revalidation information must be made available to TRA within 24 hours of the request. The data submitted must be less than 12 months old.

Revalidation evidence submission requirements are product line specific and criteria are based on component performance and categorization (i.e. A, B or C). Suppliers shall have a plan to re-validate components annually and document this requirement in the Product Control Plan for all components supplied regardless of the product line/region.

Unless an agreement is made at time of the original PPAP, the supplier should have a process to confirm ALL characteristics and performance requirements. TRA customer and engineering requirements are required for compliance.
Features/characteristics/notes measured routinely as defined in the control plan
• are not required to be measured as a specific activity. However, in-process measurement results may need to be submitted, if required by product line according to customer specific requirements.

Features/characteristics/notes not measured routinely as defined in the control plan
• must be measured and the results submitted.

If the annual revalidation reveals nonconformance to TRA drawings, the supplier must immediately contact all TRA facilities receiving the affected part and must supply the dimensional data and corrective action plans.

2C.6 Supplier Facility Access

By prior notice, suppliers shall allow TRA and TRA customers’ access to both their facilities and their supplier’s facility for the purpose of evaluating parts, processes, documents (i.e., FMEA, Control Plan, Instructions, records....), methodologies and systems used in the manufacturing of TRA products.

TRA may, at its discretion, use 3rd Party independent auditors. These individuals represent TRA and will audit the supplier’s processes to establish conformance to validated quality systems.

2C.7 Contingency Plan

Suppliers shall develop a contingency plan for potential catastrophes which may disrupt product flow to TRA and advise TRA immediately in the event of an actual disaster. In an actual catastrophe, suppliers shall provide TRA access to TRA’s tools and/or their replacements. Refer to the TRA Global Logistics Manual for additional requirements.

2C.8 Document and Product Sample Retention

Suppliers shall retain documents and product samples for the time the part is active (a part is active as long as it is being supplied to the customer for original or service applications) in production plus a minimum period of 15 years at the end of serial production. Or TRA customer’s requirements must be followed. Parts used on multiple programs may require an exceptionally long retention period.

The supplier shall retain a master sample from each cavity, die and pattern for the length of time that the component/material is active plus one year. The master sample shall be identified as such and shall show PPAP submission reference and TRA approval date. Photos of the master-parts (from 4 angles) have to be submitted with PPAP.

2C.9 TRA Property – Tools

All tools, manufacturing, test or inspection equipment belonging to TRA or TRA’s customers, will be permanently marked to clearly show that they are Property of TRA (see IATF 16949) or the customer per the customer’s requirements. These tools are to only be used for TRA products unless an authorization in writing exists. Failure to comply with tool identification requirements will result in delay or non-payment. Contact your Product Line buyer for more information regarding this subject.
2D. Continuous Improvement

2D.1 Introduction

TRA defines supplier continuous improvement as a holistic approach to overall quality management system improvement. Suppliers should, at a minimum, during the Annual Purchasing Planning Process (APPP), develop and present plans which improve internal systems that support flawless launch of new products/components/sub-systems, value enhancements and cost competitiveness and achievement of agreed upon quality targets, along with a plan to achieve zero defects in support of on-going operational excellence. This plan should include lessons learned from previous launch, cost and quality issues and how these lessons have been incorporated into respective continuous improvement processes (i.e., Read Across Matrix). Suppliers should also be prepared to discuss their intent to maintain or achieve strategic status including a plan to ‘grow’ with TRA globally, if applicable. TRA recommends suppliers use the fundamentals outlined in IATF 16949 as a platform for organizing continuous improvement plans.

2D.2 Supplier Performance Reporting

Suppliers shall access their performance through the TRA Vendor Information Network (VIN) website at [https://www.vinls.trca.thk.com/](https://www.vinls.trca.thk.com/).

It is the expectation of TRA that suppliers of purchased material will achieve and maintain zero defects and 100% On-time Delivery. TRA will update supplier performance monthly and provide suppliers access to their performance scorecard. The scorecard (Figure 11) represents the supplier’s performance in quality, launch, delivery, warranty, environmental and commercial categories. The supplier’s performance status is taken into consideration as part of future sourcing decisions as well as identifying areas to focus continuous improvement efforts.

To reflect TRA’s focus on quality, launch, delivery and warranty performance; the following changes have been made to the TRA Supplier Scorecard effective January 2014.

Quality Section

- Increase the Demerit Rating for ‘B’ Quality Concerns from 10 points to 20 points
- Increase the Demerit Rating for ‘C’ Quality Concerns from 5 points to 10 points

Launch Section

- Increase the Demerit Rating for “Failed Safe Launch” (quality or delivery concerns within the window) from 20 points to 40 points
- Increase the Demerit Rating for “Failed Approved PPAP On-Time” from 10 points to 20 points
- Increase the Demerit Rating for “APQP Concerns (A/B/C/D)” from 5 point to 10 points
- Increase the Demerit Rating for “Failed Run at Rate Audit” from 5 point to 10 points
- Increase the Demerit Rating for “Failed Launch Readiness Audit” from 5 point to 10 points
- Concerns raised prior to Supplier PPAP Approval will be renamed from “Launch Concerns” to “APQP Concerns”
- All concerns issued after Supplier PPAP Approval will be called “Production Concerns”
Delivery Section

- The new definitions for Delivery Concerns are listed below:
  - ‘A’ Concerns: Most Critical Concerns. Impacts TRA customer deliveries, causes inbound or outbound premium freight costs and/or line downtime at TRA or a TRA customer
  - ‘B’ Concerns: Critical Concerns. Caused significant scheduling changes within TRA; chronic failure to communicate appropriately
  - ‘C’ Concerns: Any minor variances for release-based delivery: early delivery, late delivery, over-delivery or under-delivery
- Concerns from 10 points to 40 points
- Increase the Demerit Rating for ‘B’ Delivery Concerns from 3 points to 20 points
- Increase the Demerit Rating for ‘C’ Delivery Concerns from 1 point to 10 points

Warranty Section

- Increase the Demerit Rating for ‘W’ Concerns from 10 points to 30 points

Operations Status Thresholds

- The performance thresholds have been modified as follows:
  - Acceptable 74 (Previously 49)
  - Needs Improvement 75 (Previously 50)
  - Pending QIP 150 (Previous = 100)
  - Unacceptable 300 (No Change)

Suppliers are encouraged to proactively submit an improvement plan if their scorecard exceeds the “Pending QIP” threshold of 150.
Figure 11: Example of a Supplier Performance Scorecard

Scorecard Definitions

<table>
<thead>
<tr>
<th>Performance Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>This represents the supplier’s overall performance in all categories for a rolling 6 month period. The performance status is determined based on the Operations Status Threshold.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplier Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The value of a supplier’s performance based on the number of occurrences X the demerit factor for each category.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplier Score Trend</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Displays if the supplier’s performance is improving or trending down, getting worse or trending up or no change. The trend is based on the slope of the best-fit line applied to a 6-month rolling period.</td>
<td></td>
</tr>
<tr>
<td>Supplier 6-Month PPM</td>
<td>The number of defective parts is derived entirely from the concerns written in the Concern Tracking System (CTS) over 6 month period.</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Quality Certification</td>
<td>Displays the current Quality Certification listed in the TRA VIN System. Suppliers are responsible for updating this information, and attaching a copy of the certification, whenever it changes. Suppliers can do this in the same area where they maintain their contact information.</td>
</tr>
<tr>
<td>Environmental Management</td>
<td>Displays if supplier ISO 14001 Certification is current in the TRA VIN System.</td>
</tr>
<tr>
<td>Special Process Assessment</td>
<td>Displays if supplier special process assessments i.e., CQI-9 are current in the TRA VIN System.</td>
</tr>
<tr>
<td>MMOG LE/EVALOG</td>
<td>An AIAG self assessment and continuous improvement tool for Materials Management. The Materials Management Operation Guidelines Logistics Evaluation (MMOG/LE) is required to be completed by suppliers on an annual basis.</td>
</tr>
</tbody>
</table>
| Quality | **Production Concerns**  
This is the count of concerns issued against rejected material by a TRA location after PPAP approval. Concerns are ranked A, B, C, and D.  

- “A” concern is any component defect that:  
  - affects a defined critical or significant characteristics.  
  - causes THK customer line stop.  
  - is raised as a THK customer A or B level complaint.  

- “B” concern is any component defect that  
  - does not conform to the drawing and part cannot be used in production.  
  - is raised as a THK customer C level complaint.  

- “C” concern is any component defect that  
  - does not conform to the drawing and requires deviation or rework to be used in production.  
  - is raised as a THK customer D level complaint.  

- “D” concern is for informational purposes only. PPM and concern score are not affected.  

**Controlled Shipping I & II (CS I & CSII)**  
Number of incidents of controlled shipping.  

**Late Responses**  
Measures supplier responsiveness to A, B & C concerns.  

**PPM Target Non-Achievement**  
Displays if supplier is above PPM Target for a given month during a 6 month period.  

**Response Rejection**  
Measures when supplier Containment or Completion action is rejected. |
<table>
<thead>
<tr>
<th>Launch</th>
<th>Failed Safe Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality or Delivery Concern (A,B,C) issued during the program launch</td>
<td></td>
</tr>
<tr>
<td>period after PPAP approval through 90 days post TRA Customer start of</td>
<td></td>
</tr>
<tr>
<td>production.</td>
<td></td>
</tr>
</tbody>
</table>

| Failed Approved PPAP On Time                                         | Measures if PPAP   |
|                                                                     | is approved after  |
|                                                                     | Approval Required  |
|                                                                     | due date as a      |
|                                                                     | result of supplier |
|                                                                     | issues.            |

| APQP Concern                                                         | Launch concern     |
|                                                                     | (A,B,C) issued     |
|                                                                     | during launch      |
|                                                                     | period prior to PPAP |
|                                                                     | Approval.          |

| Failed Run @ Rate Timing or Result                                  | Measures if supplier Run @ Rate |                      |
|                                                                     | is completed after due date    |
|                                                                     | and/or does not have passing   |
|                                                                     | score due to supplier issues.   |

| Failed Launch Readiness Audit Timing or Result                     | Measures if supplier Launch Audit |
|                                                                     | is completed after due date     |
|                                                                     | and/or does not have passing    |
|                                                                     | score due to supplier issues.    |

| Delivery                                                             | Concerns |
|                                                                     | Operations will generate Delivery Concerns against incorrect delivery conditions. |
|                                                                     | A concern is immediately communicated to suppliers via email and corrective action reports may be requested. |
|                                                                     |  
| • ‘A’ Concerns: Most Critical Concerns. Impacts TRA customer deliveries, |
| causes inbound or outbound premium freight costs and/or line downtime at |
| TRA or a TRA customer. |
| • ‘B’ Concerns: Critical Concerns. Caused significant scheduling changes within |
| TRA; Chronic failure to communicate appropriately. |
| • ‘C’ Concerns: Any minor variances for release-based delivery: early delivery,|
| late delivery, over-delivery or under-delivery. |
| • ‘D’ concern is for informational purposes only, score is not affected. |

| Late Response                                                       | Measures supplier responsiveness to A & B concerns. |
|                                                                     |                                                     |

| Response Rejection                                                 | Measures when supplier Containment or Completion action is rejected. |
|                                                                     |                                                     |

| Warranty Concern                                                   | A “W” concern is used to document warranty related issues. |

| PPM                                                                  | The method by which the supplier’s PPM is calculated using the following formula: |
|                                                                     | PPM = (No. of Defective Parts ÷ Total number of parts received) x 1,000,000 |

| PPM Targets                                                         | Performance targets are established for all suppliers annually. The VIN system will |
|                                                                     | automatically generate the next year’s targets based on a 50% improvement to the current |
|                                                                     | performance using data from July of the previous year through June of the current year. In |
|                                                                     | support of the Advanced Purchasing Procurement Process (APPP), these goals are then re-|
|                                                                     | evaluated by Purchasing and Supplier Quality using QOS analysis and may be adjusted to |
|                                                                     | assure the proper targets are set. |

| Prior Year 6 Months                                                | The supplier performance status for the corresponding rolling 6 month period for the prior |
|                                                                     | calendar year. |
2D.3 Intensive Improvement Process

The Intensive Improvement Process involves four steps (Figure 12). It starts when a TRA facility writes a complaint against a supplier for a quality performance issue. The corrective action process can escalate from a written corrective action to certified stock or controlled shipping; to one of the intensive improvement disciplines.

There are two levels which make up the Intensive Improvement process. The first level is the Supplier Quality Improvement Process (SQIP) which is managed at the plant level. Suppliers who qualify for this program will be formally notified. It is expected that suppliers placed on SQIP will commit the necessary resources to graduate by the established target date. Those suppliers who do not graduate from SQIP are eligible for nomination into the Top Focus process which is the second level. TRA’s Commodity Management team is responsible for managing the Top Focus process. The consequence of failing to graduate from Top Focus may permanently affect the relationship between TRA and the supplier. This process may also be utilized for poor delivery performance.

![Figure 12: Intensive Improvement Process](image)

2D.4 Controlled Shipping

Controlled Shipping (CS) Level I and II will be levied against the supplier when the TRA plant has determined that the supplier does not have the necessary safeguards preventing non-conforming products from reaching the TRA manufacturing location or its customers; controlled Shipping has to be activated in following cases:

- A level complaint
- THK customer A, B, C level complaint
- Recurring issue
**Controlled Shipping, Level I** (CS I) is initiated by TRA and performed at the supplier location by the supplier’s employees off line from production. Controlled Shipping Inspection process must be performed in a controlled area of the plant. Secondary Inspection data must be collected and inspected product must be certified and data is to be provided to the TRA receiving plant as agreed upon with SQA or SDE.

**Controlled Shipping, Level II** (CS II) includes all of Level I, with an added inspection by a TRA approved 3rd party. The 3rd party is selected by the supplier and approved by TRA and paid by the Supplier. In some instances, TRA may require the 3rd party inspection to be performed outside the supplier’s facility. In all cases, the Quality Certification body of the Supplier must be informed by the supplier that they have been placed upon Controlled Shipping Level II by their customer and confirmation that this action has been completed must be provided to the TRA receiving plant within 5 days.

Based on the severity of the incident, TRA may elect to go directly to CSII. The TRA SQA will review irreversible corrective action and authorize removal or renewal of Controlled Shipping when appropriate.

**NOTE:** Minimum Record of 30 days Corrective Action verification period with no re-occurrences is mandatory.

### 2D.5 Cost Recovery

Supplier Cost Recovery (CR) will be initiated by TRA when it has been determined that the supplier is responsible for shortcomings in quality, delivery, etc. Cost Recovery will be communicated using the Vendor Information Network. Cost Recovery process will include, but is not limited to, contaminated stock at a TRA plant, product in transit, OEM assembly plant, non-conforming received goods, assembly line downtime due to delivery or quality related issues, warranty returns, failed launch deliverables that may or may not result in a formal concern being raised (i.e. rejected PPAP, failed Run at Rate, failed Launch Readiness Audit, etc.) that result in additional trips to the supplier’s manufacturing facility to re-assess the supplier’s launch readiness or supplier initiated “tool moves” (see Section 2C.2 – Supplier Request for Change) and costs required to analyze and rectify the affects of a quality, warranty, launch or delivery issue that result in a concern being raised. Inspection costs, analysis costs, rectification costs, transit costs and costs to manage the implementation of a non-reversible corrective action may also be included. The level of cost recovery against concerns will be a significant factor in TRA sourcing decisions.

### 2D.6 Supplier Warranty Cost Recovery

TRA Warranty costs resulting from supplier non-conformances or failure to follow established and approved processes will be recovered through the Cost Recovery process outlined in 2D.5. For these issues, Warranty Concerns will be raised in VIN and Warranty Cost of Quality will be inclusive of all TRA incurred expenses including charges from TRA customers.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>APQP</td>
<td>Advanced Product Quality Planning. A structure activity which plans, tracks and reports the development of a process to manufacture a component/material/assembly to meet customer requirements.</td>
</tr>
<tr>
<td>ASN</td>
<td>Advance Shipping Notice</td>
</tr>
<tr>
<td>CC</td>
<td>Critical Characteristics</td>
</tr>
<tr>
<td>Cpk</td>
<td>The capability index for a stable process.</td>
</tr>
<tr>
<td>CR</td>
<td>Cost Recovery</td>
</tr>
<tr>
<td>CS</td>
<td>Controlled Shipping.</td>
</tr>
<tr>
<td>CTS</td>
<td>Concern Tracking System. An internet based material rejection reporting system used by TRA to notify it is supply base of non-conforming material/components affecting a TRA facility.</td>
</tr>
<tr>
<td>DC</td>
<td>Designated Characteristics</td>
</tr>
<tr>
<td>DCTS</td>
<td>Delivery Concern Tracking System. An internet based delivery performance reporting system used by TRA to notify their supply base of non-conforming material / components affecting a TRA facility.</td>
</tr>
<tr>
<td>DFMEA</td>
<td>Design Failure Modes Effect Analysis. A document generated during the design phase that identifies and establishes controls for potential failures in a component / material / assembly.</td>
</tr>
<tr>
<td>DLN</td>
<td>Dual Launch Netting. Joint product assurance activity between TRA and supplier(s).</td>
</tr>
<tr>
<td>DV</td>
<td>Design Validation. Testing that assures that a component/ material/ assembly meets the users’ requirements.</td>
</tr>
<tr>
<td>GDPIM</td>
<td>GDPIM is the business process used to manage product development and customer application programs. The process consists of defined phases and reviews that cover the product development cycle from concept to production. The process employs cross-functional program management and a defined set of tools &amp; techniques and Measures of Performance (MOPs) for executing and monitoring the programs. A key element is the use of cross-functional teams in both the core and customer application development programs.</td>
</tr>
<tr>
<td>EDI</td>
<td>Electronic Data Interchange</td>
</tr>
<tr>
<td>ELV/IMDS</td>
<td>End-of-Vehicle-Life/International Materials Data System. ELV is a regulatory requirement to eliminate hazardous materials from current production components. IMDS is the data system used to collect and report on the materials that make up components and assemblies.</td>
</tr>
<tr>
<td>LRA</td>
<td>Launch Readiness Audit. An audit conducted one or more times throughout the APQP process to determine a supplier’s state of readiness to start serial production.</td>
</tr>
<tr>
<td>MOPS</td>
<td>Measure of Performance Systems. The TRA system that collects and reports supplier quality and delivery performance data.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>MPCR</td>
<td>Manufacturing/Purchasing Changes Request. A form only used by TRA Braking in North America for suppliers to request changes from that product line and region.</td>
</tr>
<tr>
<td>OEM</td>
<td>Original Equipment Manufacturer. Applies to automotive corporations, i.e., BMW, Ford, Daimler-Chrysler, GM, Volkswagen, etc.</td>
</tr>
<tr>
<td>OIL</td>
<td>Open Issues List. A detailed list of non-conformances or issues to be addressed.</td>
</tr>
<tr>
<td>PFD</td>
<td>Process Flow Diagram. A diagram outlining the process for a component</td>
</tr>
<tr>
<td>PFMEA</td>
<td>Process Failure Modes Effects Analysis. A team process that identifies and controls potential failures before the product goes into production.</td>
</tr>
<tr>
<td>PMA</td>
<td>Production Management Assessment - A score-based audit of the Supplier’s implementation and execution of manufacturing standards and processes.</td>
</tr>
<tr>
<td>PPAP</td>
<td>Production Part Approval Process. A defined process for the validation of new materials and subsequent process changes.</td>
</tr>
<tr>
<td>Ppk</td>
<td>The performance index of a process. Normally used as part of the PPAP process.</td>
</tr>
<tr>
<td>PSO</td>
<td>Product Safety Officer</td>
</tr>
<tr>
<td>PTS</td>
<td>Program Tracking System. An internet based launch tracking system used by TRA to monitor and report on component status’ affecting new program launches. Suppliers will be able to report progress toward key milestones affecting their APQP deliverables.</td>
</tr>
<tr>
<td>PV</td>
<td>Production Validation. Testing that assures that the manufacturing process produces product that meets the customers’ requirements.</td>
</tr>
<tr>
<td>QIP</td>
<td>Quality Improvement Plan. A supplier intensive improvement tool used by SQA.</td>
</tr>
<tr>
<td>SAD</td>
<td>Supplier Audit Database. An Internet application the stores supplier audits and tracks closure of identified issues.</td>
</tr>
<tr>
<td>SC</td>
<td>Significant Characteristics</td>
</tr>
<tr>
<td>Shall</td>
<td>Use of the word &quot;shall&quot; indicates mandatory requirements.</td>
</tr>
<tr>
<td>Should</td>
<td>Use of the word &quot;should&quot; indicates recommended requirements.</td>
</tr>
<tr>
<td>SLP</td>
<td>Safe Launch Plan. A supplier’s plan to provide increased assurance for products covered by Dual Launch Netting (DLN).</td>
</tr>
<tr>
<td>SDE</td>
<td>Supplier Development Engineer. A quality engineer who is primarily responsible for APQP activity and development of a supplier’s systems.</td>
</tr>
<tr>
<td>SQA</td>
<td>Supplier Quality Assurance. A quality engineer who is primarily responsible for suppliers’ quality after the start of production.</td>
</tr>
<tr>
<td>TF</td>
<td>Top Focus. A supplier intensive improvement tool used by TRA.</td>
</tr>
<tr>
<td>TRA</td>
<td>THK RHYTHM Automotive</td>
</tr>
<tr>
<td>VIN</td>
<td>Vendor Information Network. Suite of applications that includes MOPs, SAD and supplier contact information.</td>
</tr>
</tbody>
</table>
Change History

<table>
<thead>
<tr>
<th>Date of change</th>
<th>Rev</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>16th December 2016</td>
<td>A</td>
<td>Create document D_055_2_01_TRA_GLB_EN_GSQM from GSQM TRW procedure (that shall be considered as reference for previous change history)</td>
</tr>
</tbody>
</table>

Author / Department:
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Approvers by signature (page 4):
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G. Stock / Quality Manager Europe, Quality
J. Carrey/ P. Eng. Senior Manager Lean and Quality North America, Quality