Global Supplier Requirements Manual

Revision D Release – July 1 2020

14 July 2020

Summary

Presentation outlines key changes to TI Fluid Systems - Global Supplier Requirements Manual CP-8-ALL-41 dated 1st July 2020.

- Slide 3 Outlines document format updates.
- Slide 4 – Slide 8 Outline key changes by section.
  - All changes / updates are shown in ***blue italic*** text

Please incorporate this release into your Quality Management System effective immediately.

Any questions regarding the changes / content of the Global Supplier Requirement Manual please contact your TI Fluid Systems purchasing representative.

Document Format

- TI Fluid Systems:
    - Replaces TI Automotive on front page
    - Replaces TI Automotive In multiple locations in body of document
- No changes to the ISO9001/IATF16949 structure of the document

8.3.4.4 – Production Part Approval Process

- 8.3.4.4 Paragraph 2 updated to allow the use of alternate formats for evidence of measurements and data in support of PPAP submission:

All PPAP packages SHALL be submitted in ENGLISH. We are a global company and the product may be used in various countries. The package can also include native language but all required information has to be written in English.

TI Automotive has provided a procedure, ***workbook checklist and*** a series of TIFS reference forms to ***guide and support*** PPAP to ensure many of the critical and required documents and APQP activities have been considered and included in the PPAP package **(CW-8-ALL-500 PPAP Submission Review and Approval).** The checklists reflect the basic requirements defined in the AIAG reference document, TI Automotive Specific requirements, and OEM *specific requirements where applicable, regional and governmental laws, and regulation requirements.* ***With the exception of the TIFS PSW format the use of the TIFS reference forms is recommended, alternative templates may be used considering that the data and results requested are equally documented.*** External providers are fully responsible for the content and accuracy of the PPAP packages and the checklists are intended as reference and are not all-inclusive. Unless otherwise directed by TI Fluid Systems, the supplier shall complete each of the checklists fully noting each item as either included or not included and submit the checklists with applicable evidence in the PPAP submission package. In some cases, the requirement may not be applicable for a specific submission and the checklist will be marked to reflect N/A. (NOTE: TI Fluid Systems concurrence is required for any requirement to be N/A)

8.4.3 Information for External Providers

Information for external providers registrar notification:

Supplier performance will be monitored and reported to suppliers monthly via email distribution of the TI Fluid Systems Supplier Performance Scorecard.

TIFS reserves the right to contact supplier's registrar in the event a supplier remains red on the TIFS scorecard system >90 days to ask for their assistance in getting the supplier's quality systems under control.

8.7.1.2 Control of Nonconforming Product – Customer Specific Process

In the event a supplier causes a quality or delivery concern, they will be issued a **Supplier Non-Conformance Report (SNCR)** by the TI Fluid Systems staff member initiating the concern. This format may also be used to notify external providers of other types of failures such as warranty, delivery concerns, PPAP or other required documentation rejections. In many cases especially at times when response time and containment are critical TI Fluid Systems will also contact the supplier via telephone or other more direct communication. The SNCR will define the concern; detail the quantity of parts identified for concern and will define the response action required by TI Fluid Systems. There are several classifications for the concern that will be used to define the action required:

Formal Concern: Any concern sent to the supplier where TI Fluid Systems is requesting immediate formal corrective actions in the 8D format.

Critical Concern: *A formal concern is considered "critical" when it results in risk related to the product safety, liability/reliability, design, environment, customer designated high severity, customer sanction and/or field action. An SNCR can also be classified as critical if there is a high concern related to warranty and future risk.*

- **Response/Timing Requirements**

First 24 hours- External providers must complete the first three (3) steps of the corrective action report which includes containment and full traceability and lot control and initial root cause analysis including review of the process(s) where the issue could have occurred. External providers are also expected to have at least interim corrective action in place at this time. External providers must report status to the TI Fluid Systems plant quality department via the initial 8D report and telephone.

Within 14 days- External providers must complete the formal corrective action report (8D), have permanent action identified, verified, validated and implemented where possible. ***If permanent action is not implemented interim corrective actions must be validated and approved by TI Fluid Systems and in place until permanent corrective action is complete and must include why made and why shipped root cause/corrective actions.***

8.7.1.7 – Nonconforming Product Disposition Supplier Critical/Supplier Safety Concerns (SRF)

SRF - Safety, Regulatory, Functional

In certain instances, the quality issue may be deemed an **SRF** concern in which case TI Fluid Systems will require the supplier to present its root cause and correctives actions following the 8D methodologies and in the form of a standardized executive summary ***format*** we will supply to the supplier declaring the actions taken to prevent the issue from occurring again. ***This review will be face to face and mandatory if notified or we may choose to use other virtual methods agreed between TI Fluid Systems and the supplier.*** The Supplier's top management will be required to attend and present. This must include the plant manager and quality manager at a minimum.

8.7.1.7 – Nonconforming Product Disposition COPQ / Supplier Charge Back

All costs incurred by TI Fluid Systems that are due to a supplier not adhering to TI Fluid Systems quality and delivery requirements may be charged back to the responsible supplier. This includes, but is not limited to, customer issues, scrap or other in-process waste, warranty and other any process fall out.

Examples of events associated with supplier caused COPQ which may be charged back:

Rework, sort and disposition of suspect and non-conforming product

Premium freight ***(outbound and inbound) due to supplier's failure to meet TI Fluid Systems' delivery or quality requirements***

Down time/ over time/ line speed reductions ***of TI Fluid Systems' operations***

Increased inspection ***due to supplier quality issues or supplier's failure to contain a quality issue***

Shipping errors

Additional manpower ***required to sort materials required to address a supplier quality issue***

Product or equipment damage ***caused by supplier's failure to meet TI Fluid Systems' quality requirements***

Replacement materials/costs

Repeated PPAP rejection/s caused by incomplete or incorrect PPAP documentation submittal by supplier may result in administrative charges

Special audits outside of the regular certificate audit due to supplier's failure to meet TI Fluid Systems' quality and delivery requirements

Warranty Costs (Actual costs plus any technical factors)