

TriMark Corporation Supplier Requirements Manual



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1. INTRODUCTION

This Supplier Requirements Manual is effective October 1, 2013, and supersedes all previous TriMark Supplier Handbooks or Manuals. The purpose of the manual is to provide a uniform method to communicate TriMark's purchasing policies, general requirements and quality expectations to the Supply Chain. This Supplier Requirements Manual provides a roadmap for the working relationship between TriMark and our suppliers in order to achieve our corporate strategic goals. In addition, this documentation will help you better understand TriMark's quality expectations, engage more fully in TriMark's quality initiatives, and achieve both robust process controls and continuous improvement in performance metrics. It is imperative that suppliers review and familiarize themselves with this manual to assist them in understanding the terms of our agreement. Working together with the processes outlined in this Supplier Requirements Manual, we can successfully generate breakthrough quality improvements, create world-class products and deliver them effectively while contributing to each other's success. Suppliers are expected to control the distribution of this document to facilitate proper replacement of outdated material. Suppliers are always responsible for ensuring they are following the most current TriMark policies and guidelines.

TriMark has built a reputation in the industry for providing custom solutions for enclosure hardware and systems needs in the markets that we serve. Our customers expect the best from TriMark and our products, services and systems need to contribute to a positive perception of the company to enhance our customers' satisfaction. Yet, we need to continually improve to meet and exceed our customer's expectations.

TriMark cannot reach our goals for the future without our suppliers fully engaged and more closely integrated with our business. This requires a cultural transformation for both TriMark and our suppliers. Our goal is to develop a supply base that contributes to the success of our business as a true partner, one that collaborates with us to present new innovative ideas, technologies, cost and process improvements. We will look for suppliers who share our values (Integrity, Innovation, Accountability, Teamwork and Respect) and who are committed to a zero-defects mindset. We need suppliers who have world-class capabilities with a willingness to grow globally with us. Our suppliers have much to offer, and we need to leverage their knowledge and experience to reduce cost and improve quality through earlier, deeper participation in New Product Development efforts and Advanced Product Quality Planning (APQP) processes. Most importantly, we must dedicate ourselves to creating a strong partnership with mutual benefits. We have an exciting opportunity to grow together!

2. TRIMARK

2.1 HISTORY

TriMark was originally incorporated on December 22, 1970, as Lynor Engineering, Inc. in New Hampton, Iowa with an original building less than 5,000 square feet and employing less than 10 employees.

The following spring (April of 1971), Lynor was acquired by the Owatonna Tool Company of Owatonna, MN. At the time of acquisition, Lynor was a tool & die fabricator and standard product items were not sold. Soon Lynor began to grow and started to run die cast operations and expanded into assembly operations, specializing in the mobile home and recreational vehicle hardware.

During the early 1970's, the product line expanded to include hardware for garage doors and residential homes. Later on, product lines continued to grow to include hardware for industrial and agricultural use.

Effective December 1, 1978, the company decided to make a name change from Lynor Engineering, Inc. to TriMark Corporation.

On January 10, 1985, Sealed Power Corporation (SPX Corporation) of Muskegon, Michigan, acquired the

Owatonna Tool Company, which included TriMark.

Just a few years later (November of 1988), it was announced that SPX had decided to sell TriMark. At that time, the TriMark management team put together an offer for the company and started the Employee Stock Ownership Plan (ESOP). On March 1, 1989, TriMark officially became an employee-owned corporation (ESOP).

TriMark's first major acquisition occurred overseas in October of 1997. TriMark purchased Magna Mouldings and Cloverhill, which was incorporated as TriMark Europe, Ltd in Leicester, UK.

Another business, TriMark Service and Replacement Parts, started on January 1, 1999. A 9,600 square foot expansion southeast of TriMark Corporation houses this business. TriMark Service and Replacement concentrates on serving the dealers, small OEM's, locksmiths, and individual end users.

TMX started up in 2007 to manufacture and sell in China under the name of TriMark (Xuzhou) Automotive Components Co, Ltd in Xuzhou, China.

Also in 2007, TriMark Europe acquired West Alloy which eventually was renamed as a second TriMark Europe location in Sutton, UK. TriMark now has a well-established sales, distribution, manufacturing, and plastic injection molding presence in Europe.

TriMark, celebrated its 40th Anniversary in 2011, and is still an employee-owned company. TriMark is a recognized leader in the design and manufacture of quality hardware products for the recreational vehicle, agricultural, heavy truck, construction, specialty vehicle, armored vehicle, power sports and industrial enclosure markets. TriMark's corporate headquarters is located in New Hampton, Iowa, USA. TriMark serves the China market through TriMark Xuzhou and the European market through the two locations of TriMark Europe. TriMark has been a valued partner supplier to Caterpillar for more than 30 years, in addition to other global customers, including John Deere, Volvo, Paccar, AGCO, Case New Holland, and Winnebago, who provide world class vehicles and equipment.

TriMark is one of the world's leading innovators, designers, and manufacturers of heavy duty vehicle hardware. TriMark offers a wide range of handles, latches, striker bolts, linkages and complete door access systems and related components of truly exceptional quality.

For more than 40 years TriMark has been recognized as a true customer partner while building a global reputation for providing customers precisely the systems solutions they require.

2.2 QUALITY POLICY

TriMark's team strives to continually improve our products, services and business systems to meet or exceed our customer's expectations.

2.3 MISSION STATEMENT

We focus on "door systems" - - to control access in and out, while emphasizing safety, security and convenience. We:

- Provide reasonably priced, tailored, quality mechanical, electrical, electronic products and systems that stress fit-for-function.
- Are responsive and easy to do business with.
- Make promises we can keep and keep promises we make.

Our focus on "door systems" means applying our special knowledge to:

- Functions: opening/closing, structural support, safety, security, good appearance, quality, sound operation, ease of manufacturing and assembly.

- Components: latches, locks, striker bolts, hinges, inside handles, exterior handles, rods/cables, windows and regulators, window tracks, switches, wiring, inside assist handles, interior trim, structure and exterior skin.

3. SOURCING/SUPPLY MANAGEMENT

3.1 PROCUREMENT DEPARTMENT

The Procurement Department is divided into commodity groups. TriMark Suppliers are assigned and will be advised of their primary contact, the Buyer, who handles your commodity group. All communication with TriMark (“the Company”) shall be conducted through your first point of contact, the assigned Buyer.

3.2 COMMUNICATIONS & SUPPLIER OBLIGATIONS

All documentation and information between Suppliers and TriMark shall be communicated in English.

Suppliers are to handle all written and personal communications with the Company through Procurement only, unless instructed by Procurement, for technical reasons, to do otherwise; in which case Procurement is to receive copies of all such correspondence and be kept informed of any and all communications.

Suppliers are to negotiate purchasing contracts and all sales with Procurement/Buyer-Planner personnel only. These negotiations shall be conducted ethically, without attempts to influence through offering valuable personal gifts or entertainment.

We encourage suppliers to make available all technical, engineering, systems, policies, product and services that might improve the Company’s present or future use of supplier’s products and services.

Suppliers must keep Procurement personnel informed of any new products as soon as such information is available as well as to suggest ways and means of conducting joint efforts in research and development that might be of benefit to both companies.

Suppliers must timely inform Procurement of changes in economic or other business conditions that might affect purchasing or operating decisions.

3.3 SUPPLIER PORTAL – WEBSITE

As stated before, all communication with TriMark shall be conducted primarily through your first point of contact, the assigned Buyer. In addition, Suppliers are required to obtain a user name and password for the supplier portal on TriMark’s website. The site is secure and requires you to be a logged-in registered user. To register, go to www.trimarkcorp.com and click “*New User*” in the upper right hand corner and complete the short profile. In the “*Please select the industry that best matches you or your company’s association:*” drop down menu, select *Other* and type “Supplier” in the box below. This is very important! It will indicate to the webmaster that you are a qualified supplier. You will receive an email within one business day notifying you have been given access. The supplier portal offers supplier communications, engineering specifications, necessary forms, a link to this Supplier Requirements Manual, etc. It is your responsibility as a supplier to TriMark to obtain all necessary and current information from this supplier portal. It is our goal to further develop and utilize the supplier portal to enhance communications.

3.4 NEW SUPPLIER EVALUATION/ASSESSMENT

Suppliers may be approved to do business with TriMark and its divisions upon successful completion of the Supplier Evaluation and, at TriMark’s discretion, a Supplier Assessment and Audit. The process includes:

- A request, completion and review of the Supplier Evaluation (F-194-170) providing information on the supplier's business structure, financials, organizational capability, etc.; and
- Completion of an on-site Supplier Assessment and Audit (at TriMark's discretion) including the areas of:
 - Purchasing
 - Quality
 - Advanced Product Quality Planning (APQP)
 - Engineering
 - Materials
 - Operations
 - Capacity, Etc.

The New Supplier Assessment and Audit must result in a low risk rating before the supplier is considered one that TriMark would commence business with. TriMark may elect to continue the development process with risk, in which case the supplier is required to immediately provide a corrective action plan designed to achieve a low risk rating. The decision for low risk supplier assessment is made on a location-by-location basis and is non-transferable to other supplier locations. Suppliers shall immediately notify TriMark of changes in the business environment that affect the approved location. Suppliers may be required to complete self audits or periodic on-site assessments to assure compliance to TriMark expectations.

The Supplier Assessment and Audit is used to assess the supplier's capability and process in accordance with their Quality Management System. The assessment evaluates the overall risk of doing business with a supplier location. Supplier Assessment and Audit is used in a variety of circumstances to assess risk to TriMark:

- Suppliers using new technology
- New technology to TriMark
- Significant increase in business to a supplier location
- Major project
- Performance issues
- Supplier Development

3.5 SUPPLIER EVALUATION

A Supplier Evaluation, F-194-170, is sent to all new suppliers and subsequently updated annually. This questionnaire keeps TriMark abreast of supplier information such as quality management systems, management personnel, and process capabilities. The Supplier Evaluation and the subsequent updates must be completed and returned to TriMark within two (2) weeks of receipt.

3.6 QUOTING

Sourcing/cost requests are sent with a formal Quotation Request and a specification (print/drawing). Timely responses are important to maintaining project timetables. TriMark is committed to respond quickly to our customers to secure future business. A turnaround time of two (2) working days is requested.

At times, TriMark sends information quote requests asking for an estimate with a range (for example, plus or minus 10%). These requests may be based on sketches or preliminary drawings. Supplier must respond in two (2) working days in these instances.

All verbal quotations must be confirmed with a written quote.

IMPORTANT: All quotations must be returned to your assigned Buyer that requested the quote. Sending the quotation to any other TriMark contact may result in the quote not being considered.

3.7 PURCHASE ORDERS

TriMark uses standard purchase order (P.O.) information. Contact your TriMark Buyer if any of the information is incorrect or unclear, including pricing, quantities, dates, revision level, requirements to specs, etc. Advise if the P.O. does not agree with applicable minimum quantity requirements or order multiples. The due date stated on the purchase order is the date the material is to arrive at TriMark's dock; this is **not** the shipping date. Also, you are required to verify the revision level of the part ordered against the print you have on file. If they do not agree, contact your TriMark Buyer immediately. Any deviations to the print or purchase order, etc. must be received in writing on the acknowledgement form. Purchase orders must be signed by an authorized TriMark representative to be valid. All verbal purchases must be followed by a written P.O. TriMark's standard Conditions of Purchase apply to all purchase orders.

3.8 ACKNOWLEDGEMENTS

Suppliers must acknowledge all purchase orders. The purpose of acknowledgements is to confirm you have received the purchase order, reviewed it, and have accepted its terms. If there are any questions about the purchase order, the Buyer must be contacted immediately.

3.9 DUE DATES

TriMark generally follows the lead time quoted. Due dates on stock orders are calculated using the lead times you provided plus additional days for shipping and inspection, if necessary.

The due date on TriMark purchase orders is the date the material is due at TriMark's dock, **NOT** the date it is scheduled to leave the supplier's facility. Plan your shipments to arrive at TriMark on or before the due date.

TriMark reserves the right to cancel purchase orders thirty (30) days past due that have not shipped. TriMark will contact you prior to canceling the P.O. Line items shipped within 90% of requested quantity may be considered closed, depending on the situation. Quantities shipped over 10% of the requested quantity may be returned freight collect to the supplier.

3.10 EXPEDITING

There are times when the due date needs to be moved up or pushed out. Orders will be expedited for parts that are in, or is anticipated being in, backorder status (TriMark's Hot List). These parts must be shipped as soon as possible. If you receive an expedite request, respond within 24 hours with your best ship dates. Agree to move in an order to a date you are confident can be met. TriMark can agree to accept partial quantities under this circumstance. When considering expediting requests, Suppliers must also review all open orders and advise if they will be affected. TriMark may request to move some orders out, if necessary.

Questions regarding purchase orders, acknowledgments, due dates, or expediting shall be directed to your TriMark Buyer.

3.11 SPECIFICATIONS

TriMark provides product specifications for all items. This may include, but is not limited to, a print/drawing, engineering specifications, etc. If a change occurs to the specification, then an updated specification is sent to or made available to Suppliers. Suppliers must pay particular attention to the revision level of drawings, specs, documents, etc. If a proposed change affects production of the part, TriMark will involve you in approving and quoting the revised part.

If you have suggested changes to a specification, please let us know. We believe our suppliers have valuable insight into the design of our products. We welcome changes that will clarify our expectations,

contain costs, improve ease of manufacturing, improve quality, etc.

Special packaging and shipping requirements are listed in the specifications. In all cases, all products must be securely packaged to ensure damage-free arrival.

All specifications are considered Confidential, no matter what format or media they are communicated in.

3.12 COST CHANGES

All goods are to be invoiced at the price quoted by the supplier and acknowledged by TriMark. TriMark recognizes that there are times when a cost change is appropriate. In those circumstances, suppliers must receive TriMark's written consent to all cost changes in advance of fulfilling a purchase order. Suppliers must also notify TriMark in writing at least 60 days in advance of any price increases. This notice must include one price per part number along with a justification letter supporting the cost change. No price change will be effective without TriMark's written consent.

3.13 RISK MANAGEMENT

Suppliers must possess a business continuity plan to protect TriMark's supply of product in the event of an emergency (e.g. utility interruptions, labor shortages, logistic disruptions, key equipment failure and natural disasters). Suppliers must inform TriMark Procurement of plant shutdowns, holidays, etc. to ensure a negative impact to supply chain activities is not realized.

All suppliers for production components, including subcontract operations, incorporated into TriMark's products or sold independently shall provide proof of product liability insurance in the form of adequate insurance coverage, listing TriMark Corporation as a Certificate Holder. Furthermore, TriMark requests that suppliers have TriMark listed as Additional Insured.

All contractors and service providers shall provide proof of financial responsibility in the form of adequate insurance coverage. Certificates of Insurance are also required from suppliers for MRO (maintenance, repair and operational) items to ensure the safety, health and well-being of TriMark employees. Adequate insurance coverage will be determined by and at the discretion of TriMark's Sr. VP & CFO.

If suppliers fail to comply with this requirement, the supplier is at risk of being put on Business Hold status until such time TriMark receives the appropriate Certificate or elects not to conduct business with the supplier. Placing a supplier on Hold will result in no further quoting opportunities, purchase orders, etc. for said supplier, but the Hold will not affect existing purchase orders that have already been placed.

3.14 PREVENTIVE MAINTENANCE

Suppliers must develop and maintain an effective total preventive maintenance system utilizing predictive maintenance methods to continually improve the effectiveness and efficiency of identified key process equipment.

3.15 TOOLING

Supplier shall establish and implement a system for tooling management including:

- Maintenance and repair facilities and personnel
- Unique identification for tooling
- Storage and recovery
- Setup
- Tool change programs for perishable tools
- Tool modification, including tool design documentation

Tools and fixtures owned by TriMark must be marked "Property of TriMark Corporation" and visually

documented in the PPAP submission. Proprietary tooling may not be reworked or destroyed without prior written authorization from TriMark Purchasing. Out of service tooling may still be required to provide service parts.

All tools, manufacturing, test or inspection equipment belonging to TriMark shall be used exclusively for TriMark products unless an authorization in writing has been issued by TriMark Purchasing. TriMark retains sole discretion to grant or withhold such authorization.

Supplier shall notify TriMark Purchasing in writing of supplied tooling or gauges that are lost, damaged or are otherwise unsuitable for use. TriMark supplied tooling and gauges shall not be disposed of without written authorization from TriMark Purchasing.

Supplier shall be responsible for calibration, proper storage and careful maintenance throughout the life of the tool. When the supplier is not using TriMark's tools to fulfill its contractual obligations to TriMark, such tools shall be stored in a specifically-designated area on the supplier's premises. Upon program completion, the supplier shall ensure gauges & tools are properly stored to prevent any damage and are readily available for service requirements.

Supplier will further be responsible for complying with any Bailment Agreement entered between the parties.

3.16 OBSOLETE AND NO LONGER SUPPLIES

Suppliers must provide TriMark at least 90 days advance written notification (180 days for tooled items) of a supplier's decision to obsolete or no longer supply (NLS) a part.

Notification must include:

- Part number and description of part being made obsolete or NLS
- Reason for the obsolescence or NLS
- When the obsolescence or NLS will take place
- What purchase orders will be affected by the obsolescence or NLS
- Part number and the description of substitute parts that are the same in fit and function (if applicable)
- Cost of substitute part, including any quantity breaks or minimums
- Certificate of origin of substitute part
- Return policy/disposition of stock
- Changes to parts or process will be governed by the PPCN process and applicable PPAP requirements

3.17 RESOLVING ISSUES

TriMark encourages open and honest communication and makes every effort to deal with suppliers in a respectful and equitable manner. If you are unable to resolve an issue to your satisfaction with your normal contact, follow the chain of command. For purchased products, chain of command is the assigned Buyer, Procurement Manager, the Director of Global Quality and Strategic Supplier Development, and finally the Senior Vice President & CFO.

3.18 PROPRIETARY INFORMATION

3.18.1 CONFIDENTIALITY

Suppliers must sign and adhere to a Confidentiality Agreement before certain types of information is shared.

3.18.2 CUSTOMER

Any listing of TriMark customers made available to you is the property of TriMark. This information may NOT be reproduced or shared with any third party without TriMark's express written permission.

3.18.3 TRADEMARK USE

Unauthorized use of TriMark's trademarks is strictly prohibited. Appropriate legal enforcement actions will be taken if a potential infringement of TriMark trademarks is discovered.

Suppliers must have written authorization for trademark use to produce products with our marks. Written authorization will be strictly limited to our direct procurement and cannot be used for any other purposes.

3.19 TERMINATION OF BUSINESS RELATIONSHIP

3.19.1 ADVANCE NOTICE

TriMark requires no less than 90 days advance notice if a supplier wishes to terminate the business relationship.

3.19.2 PROPRIETARY TOOLING

TriMark will arrange to move its proprietary tooling in the event of termination of the business relationship. If the supplier owns TriMark proprietary tooling, TriMark will either purchase it from the supplier and arrange to move it, or arrange to scrap the tooling.

3.19.3 WARRANTY AGREEMENT

In the event that the business relationship between TriMark and the Supplier ends, the Supplier will continue to cover the costs associated with any failure related to the supplied components, materials or sub-assemblies within the TriMark warranty period.

Questions about terminating the business relationship shall be directed to the Procurement Manager.

4. FINANCIAL INFORMATION

4.1 INVOICES

All invoices and credit memos for parts shipped shall be mailed to:

TriMark Corporation
Attn: Accounts Payable
P.O. Box 350
New Hampton, IA 50659

Or e-mailed to accounts.payable@trimarkcorp.com.

4.2 INFORMATION REQUIRED ON ALL INVOICES

To facilitate payments, all invoices must include the following:

- P.O. number and packing slip number
- Part number. Reference TriMark's part number exactly as it appeared on the P.O., including any suffixes that have been added to your part number.
- Quantity. Include quantity ordered, quantity shipped and quantity back ordered (if applicable).
- Price
- Ship date and method of shipment
- Shipping number or bill of lading number
- Bill to and ship to address

Please note: If possible, reference only one P.O. on an invoice. This greatly facilitates payment. Invoices are paid after all items on the invoice have been received. TriMark's primary payment method is by ACH deposit to the supplier's bank account. Payments are processed every two weeks. Checks are mailed monthly for suppliers that are not enrolled in ACH deposit.

4.3 PAYMENT TERMS AND CONDITIONS

TriMark payment terms are 30 days from the date of receiving the goods on our dock, NOT the ship date on the packing slip. These terms will apply unless an alternate arrangement is agreed to in writing. Upon processing invoices, TriMark will take discounts that are offered when applicable.

4.4 SHIPPING DISCREPANCIES

Exhaustive research is performed by Shipping/Receiving, Procurement and Accounting personnel when there are receiving discrepancies. Supplier must comply with any request for proof of delivery and/or parts weights to assist with this research. If TriMark is unable to resolve the discrepancy, the supplier will receive a debit memo.

4.5 STATEMENTS

TriMark pays only from invoices, not from periodic statements.

4.6 PAST DUE INVOICES

It is TriMark's policy to pay all invoices within 30 days from the date TriMark received the goods. Notify TriMark immediately of any invoice 30 days or more past due. The longer a supplier waits, the more difficult it is to research and resolve the issue. Contact TriMark Accounts Payable to resolve past due issues.

4.7 CREDITS

To ensure proper application of credit memos, please include at least one of the following on all credit memos:

- TriMark debit memo number. Also, include an explanation if the amount is issued is different from TriMark debit memo.
- P.O. number
- Warranty Claim number

4.8 DEBIT MEMO/SHORT PAY AND OUTSTANDING BALANCES

If a debit memo is not going to be accepted, please contact the TriMark Accounts Payable Department as soon as possible so the matter can be resolved. In the event a supplier owes TriMark money, TriMark

expects a cash payment to clear the balance.

4.9 NON-CONFORMING MATERIAL DEBITS

If the material received is non-conforming, a debit memo is sent against the invoice. Replacements must be sent under the same P.O. with a new packing slip and new invoice.

5. SUPPLIER SHIPPING/PACKAGING

5.1 SHIPPING

Expeditious shipments and control of costs are important to TriMark. The method of shipment is specified by TriMark's shipping department, who will contact you in writing. Routing compliance is monitored. TriMark will contact suppliers who do not comply with shipping instructions.

TriMark will not pay for premium delivery services (second or next day air) unless specified in writing.

Suppliers found in non-compliance will be debited by TriMark for the additional freight charges incurred.

5.2 PACKAGING

TriMark needs to have parts packaged to allow the part to be handled multiple times and arrive at TriMark undamaged and in saleable condition. This requires good individual packaging and good case/carton/pallet packaging. TriMark requires product packaging that contains easily located labels and packing slips referencing TriMark's part number. TriMark will contact suppliers whose parts require packaging for "on the shelf" dealer merchandising.

5.3 CONTAINER PACKING

When shipping multiple over pack containers, all parts with same number must be in the same container. Scattered parts are not acceptable.

5.4 LABELING

All parts must be individually identified with the TriMark part number, including the suffix that was issued on the purchase order. This part number must be clearly visible and legible to the material handler. All labels must contain the part number TriMark used on the purchase order, part description, quantity in that container, and serial number or manufacture date. All containers that contain more than one part number must be labeled as a "Mixed Load." This label should be located near the master package labels. Individual units of a complete shipment must be sequentially numbered as part of the total shipment. (i.e., 1 of 5, 2 of 5, etc.)

5.5 PACKING SLIPS

Packing slip(s) must be located inside one container of the shipment on top of the load. This container must be clearly marked "Packing Slip Enclosed" on the top and at least one side. Packing slips must include: number of containers involved, TriMark part number, including suffix used on the purchase order, quantity of each part number; description, and purchase order number.

5.6 PALLETS SIZE AND CONSTRUCTION

Maximum height for a pallet and its load is 53" unless otherwise approved. Deviations for extremely tall products are acceptable, with advance notice. Mechanically handled pallet loads may not exceed 2,000 pounds. In addition, deck boards and stringers must provide adequate support/protection to the load and

enable the pallet to be lifted with 42" fork blades without damage to the product.

5.7 BOXES AND CARTONS

Manually handled containers may not exceed 40 pounds.

5.8 TUBS

TriMark supplied tubs are TriMark property. They are to be used only for TriMark parts, and must be handled and stored to prevent damage.

6. NEW PRODUCT DEVELOPMENT

6.1 NEW PRODUCT DEVELOPMENT PROCESS

Our customers demand and depend on the best products from TriMark. Product Development teams must focus on adherence and discipline to ensure we consistently develop products that exceed customer requirements and expectations. To develop products meeting quality, cost and time targets, product development teams must focus on collaboration of all functional areas as well as engagement with suppliers early in product development. The New Product Development process is patterned after APQP and structured in phases from concept to launch. Each phase has consistent deliverables the team must plan for and achieve. At the end of each phase, the team's progress and process conformance is evaluated during a Project Oversight Committee review. The Product Development Project Teams engage suppliers through the Advanced Product Quality Planning (APQP) process and Production Part Approval Process (PPAP).

6.2 ADVANCED PRODUCT QUALITY PLANNING (APQP)

Advanced Product Quality Planning (APQP) is a structured process of defining and establishing the steps necessary to assure that a product satisfies the customer and specifying goals for product quality. Quality planning focuses on developing process controls that, when properly managed, ensure a high degree of quality within the manufacturing/assembly system. The goal of product quality planning is to facilitate communication with everyone involved to assure that all required steps are completed on time. Effective product quality planning depends on a company's top management commitment to the effort required to achieve customer satisfaction with defect prevention and continual improvement as core elements. TriMark utilizes AIAG's APQP standards as the basis for product development efforts and expects suppliers to become engaged in the multi-disciplinary collaboration efforts.

6.3 PRODUCTION PART APPROVAL PROCESS (PPAP)

TriMark's component qualification process is conducted in accordance with the Production Part Approval Process (PPAP) Manual published by the Automotive Industry Action Group (AIAG), and suppliers must comply with these requirements. Production Part Approval Process (PPAP) defines requirements for production part approval. The purpose of PPAP is to determine whether all TriMark engineering design records and specification requirements are properly understood by the supplier and that the supplier's manufacturing process(es) has (have) the capability to produce product consistently meeting these requirements during an actual production run at the quoted production rate. In the execution of PPAP, TriMark requires suppliers to submit complete PPAP data as part of the APQP process. TriMark will review all PPAP documentation to ensure that TriMark standards are met. In fulfilling proper APQP/PPAP, the collaborative effort, if done thoroughly and effectively, will drive zero defects.

PPAP is required for all supplier locations providing production parts, service parts, or production materials. Regardless of initial PPAP submission level, suppliers are expected to complete and retain a full PPAP package. PPAP files must be available for review upon request. At TriMark's discretion, a single PPAP

submission may be accepted for a family of parts, where, multiple parts are manufactured by common processes and materials and are listed on a single drawing as a variation of a base drawing.

TriMark Procurement Personnel will communicate what Level of PPAP is required via the PPAP Submission Checklist and will establish and advise the supplier of the PPAP due date based on project schedules. Request for revisions to the PPAP due date must be communicated to the Supplier Quality Engineer. TriMark reserves the right to select and assign PPAP levels based on experience, supplier performance, and specific needs, at its discretion. The supplier must perform a significant production run at the production site, using production tooling, gaging, processes, materials and operators at the production rate in compliance with AIAG PPAP manual. From the significant production run, one part is selected for the PPAP submission and kept as the Master Sample. TriMark reserves the right to be present for the production run and to add additional reporting requirements as necessary.

Any changes or modifications to the PPAP approved part and/or production process requires the supplier to notify TriMark Procurement Personnel via a Product/Process Change Notification, PPCN (F-187-550), and obtain TriMark SQE approval prior to implementation of these changes. The PPCN form should be submitted to TriMark at least 12 weeks prior to the planned change implementation.

6.4 SUPPLIER PRODUCT AND PROCESS CHANGE NOTIFICATION

The AIAG PPAP Manual describes the conditions for customer notification (Section 3 – “Customer Notification and Submission Requirements”). Table 3.1 should be used as a guideline for when notifications are required. Contact TriMark’s Procurement personnel for clarification of notification requirements. Suppliers are required to complete a Product Process Change Notification (PPCN) form to advise TriMark of process or product changes.

PPCN’s will be reviewed by TriMark’s SQE. If TriMark determines a PPAP re-submission is required, the supplier will be notified via another PPAP Submission Checklist. Suppliers must not implement PPCN changes prior to TriMark’s written approval.

PPCN is also intended to ensure TriMark’s compliance with TS 16949 certification requirements, specifically TS 16949 7.3.6.3, which states: *“The organization shall conform to a product and manufacturing process approval procedure recognized by the customer. Product approval should be subsequent to the verification of the manufacturing process. This product and manufacturing process approval procedure shall also be applied to suppliers.”* In the event this procedure is not properly followed and material rejections occur as a consequence of the design and process changes listed in Table 3.1 of the AIAG PPAP manual, TriMark will take appropriate action needed to recover any cost incurred by those material rejections, including, but not limited to, scrap and rework costs, assembly costs, assembly line downtime costs, etc.

6.5 PPAP STATUS NOTIFICATIONS

TriMark SQE will notify suppliers of the PPAP status via e-mail. Samples shipped to TriMark must be packaged separately from production parts and clearly marked to segregate from production materials.

6.6 RECORDS RETENTION

Suppliers must have a method allowing for safe and accessible retention of all records for production part approvals (PPAP data), tooling records, APQP records, purchase orders and amendments and shall be maintained for the length of time that the part (or family of parts) is in production and/or in active service PLUS one calendar year, unless otherwise specified by TriMark.

Retrieval of archived data is expected to be available upon request.

6.7 PROCESS CONTROL (EFFECTIVE QUALITY MANAGEMENT)

All suppliers must use data and past experience to properly plan for quality to prevent defects, control processes to minimize variation, audit to assure that quality plans are being executed and take corrective action on the systemic root causes when defects occur. TriMark requires a never-ending pursuit of process improvement and the reduction of variation. As such, our expectations include:

- Suppliers collaborate to plan and document packaging instructions for product and validate initial shipments to ensure products arrive at TriMark undamaged and in proper form (sequenced, next higher level, etc.).
- Suppliers collaborate to help define and then control special characteristics.
- Suppliers build in sufficient error proofing and inspection into the process to mitigate risk.
- Suppliers' employees are empowered and properly trained to plan for quality and produce conforming parts every day, every shift and every piece.
- Suppliers review and improve process FMEA and control plans and other applicable APQP/PPAP elements when defects occur to reduce the risk of future failures and, if required, submit an updated PPAP.
- Suppliers obtain PPAP approval prior to first receipt of production material.
- Suppliers deploy a documented layered audit process to assure that quality plans are clearly communicated, followed and effective.
- Suppliers plan and execute a "quality management system" with ISO 9001:2008 compliance as a minimum requirement.
- Suppliers deploy continuous improvement and Global 8D problem-solving teams for robust 8D execution. All issues are addressed, and systemic validation is in place.
- Continuous improvement is a way of life. A supplier program shall be in place for continuous improvement, with emphasis on prevention activities in order to reduce variability and improve quality.

6.8 PROCESS CAPABILITY

Suppliers shall apply SPC and perform process capability studies on each required design and process characteristic that is determined to be "Significant" or "Critical" throughout the manufacturing operations as described in Quality Procedure 4.20-2.

6.9 CERTIFICATIONS

If certificates of analysis or compliance are required, their requirements are listed in the specification (print) or purchase order. Certificates are expected to arrive electronically before the shipment and must be e-mailed to the Buyer and/or Quality Department.

7. SUPPLIER QUALITY MANAGEMENT

TriMark is fully committed to delivering high-quality products to our customers. Every employee is responsible for delivering the best products and best value for customers. As we strive to achieve a zero-defect culture, we partner with others to build a supply chain with that same culture. A high-quality product starts with high-quality materials and components. Suppliers must not ship products or components with a known defect. TriMark does not compromise on quality. Suppliers play a critical role in ensuring that TriMark products fulfill our customers' requirements at a consistently high level of quality across the enterprise. Quality Procedure 4.20-2 communicates TriMark's quality expectations of suppliers.

7.1 QUALITY SYSTEMS

TriMark is third party certified to ISO 9001:2008 and TS16949:2009 and seeking certification to ISO 14001. TriMark also seeks to conduct business with suppliers that are third party registered by an IATF accredited

registrar to the latest version of ISO9001 Quality System Requirements or ISO/TS 16949. Suppliers are also encouraged to obtain or be compliant with ISO14001 Environmental Management registration and certification. Current Quality System registration certificates must be submitted to TriMark. Furthermore, TriMark encourages suppliers to reference the latest editions of AIAG's Core Quality Tool Manuals (APQP, PPAP, FMEA, SPC, MSA).

7.2 RECEIVING INSPECTION

All purchased products are subject to incoming inspection by the TriMark Quality Department. Incoming inspection is used to verify that materials and components meet the TriMark print and specification requirements. In advance of receiving the material, a receiving inspection control plan needs to be developed for each component. The receiving inspection control plan provides a checklist on what to inspect and is based on internal and external quality data. Once the inspection is complete, conforming material moves to inventory and non-conforming material will generate a Material Review Board (MRB) non-conformance report. The assigned Product Manager determines the disposition (reject, scrap, sort, rework, conforms or deviate) of the material. The MRB may drive a Supplier Corrective Action Request (SCAR) and TriMark will require a timely and appropriate response from the supplier. See Section 7.7 of this manual for more information on SCARs, and Section 7.6 for more information on MRBs.

7.3 COST OF POOR QUALITY (COPQ)

TriMark expects the supply chain to deliver defect-free parts and products on time. When non-conformances of supplied product occur and/or when parts are received late, TriMark experiences many disruptions in our operations, which requires investigation, inspection, sorting, rework, expediting, etc. Suppliers must strive to prevent, and in all circumstances detect and correct quality problems prior to shipping the product to TriMark. Suppliers may be charged for extra costs incurred by TriMark to correct supplier's non-conforming product and/or expediting costs associated with late delivery. This process is intended to help drive supply base improvements and hold suppliers accountable for the cost of poor quality. It is not intended to be punitive or to generate profits.

Reducing Customer Warranty claims remains a top priority with TriMark and we place a high priority on overall customer satisfaction and loyalty. Suppliers must demonstrate reliability that meets or exceeds TriMark requirements. Suppliers will cover the costs associated with any failure related to their components and materials within the TriMark warranty period. TriMark will seek cost recovery from suppliers for expenses related to field failures, product recalls and product retrofits caused by the supplier's product. TriMark will hold the supplier responsible for such failures related to the design or manufacture of their supplied products. Costs and liabilities will be managed on a case by case basis. When supplier nonconformance causes additional warranty costs, the supplier will bear costs of repair for field units and inventory (including finished goods, work in process, components, raw material, etc.) including parts, labor, sorting charges, transportation, rework costs, special handling, removal costs, etc.

7.4 SUPPLIER PERFORMANCE METRICS

TriMark has a Supplier Rating process to communicate, monitor and manage supplier performance. Suppliers play a crucial role in enhancing the quality of TriMark products. By consistently improving processes and delivering quality parts according to TriMark prints and specifications with no deviations, suppliers help drive continuous improvement. The Supplier Rating Report enables TriMark to hold suppliers accountable for their quality and delivery performance. When poor performance is documented, we expect the supplier to quickly respond and take corrective action. When poor performance results in financial impact to TriMark, we will look to suppliers for financial compensation.

TriMark measures supplier performance for each location (as defined by a unique TriMark supplier number). Performance is evaluated in the following areas:

- Quality ppm
- On Time Shipment ppm

ppm = parts per million = (Number of Defective (or late) Parts/Number of Parts Received) *1,000,000.

Suppliers are rated A, B, or C for each metric based on the limits, shown below.

Quality: A supplier = < 500 ppm	B supplier = >501 and =< 5,000 ppm	C supplier >5,001 ppm
Delivery: A supplier =< 5000 ppm	B supplier = >5001 and =<50,000ppm	C supplier >50,001 ppm

Suppliers Rating reports are distributed monthly. Direct questions regarding the Supplier Rating Report to the assigned Buyer.

7.5 C-RATED SUPPLIERS

Suppliers are evaluated monthly to ensure performance meets expectations. The 6-month rolling average will generate a list of “C” rated suppliers. C-Rated Suppliers must present a SCAR detailing how quality and/or delivery will be improved in the future. C-Rated suppliers will be placed on New Business Hold. While on New Business Hold, suppliers will be responsible for filling current purchase orders, but they will not be eligible to quote or engage in new business until the “C” rating improves.

7.6 NON-CONFORMING PRODUCT (MRBs)

Any material, component, sub-assembly or assembly found to be non-compliant to the drawing, specification, applicable quality standards or master samples will be rejected and a Material Review Board (MRB) non-conformance report will be created. Parts with incorrect labeling (e.g. wrong part number on the package or part) or mixed parts (two or more part numbers mixed together in the same container) will be considered an MRB and quality impacts to the supplier for the entire container quantity will occur.

Parts received damaged as a result of inadequate packaging are considered MRBs, unless carrier responsibility is established. TriMark may elect to accept material as is. The supplier must notify TriMark in advance to gain approvals for deviations prior to shipment and to avoid quality ppm impacts. A pre-authorized deviation prevents MRB non-conformances and expedites receipt of shipment.

In some cases, non-conformance is detected after initial acceptance. The supplier is still responsible for such non-conformance. Suppliers are charged for the costs of returning, sorting, and reworking rejected parts.

Non-conforming material will be dispositioned by the Product Manager. TriMark Procurement personnel are responsible for supplier notification of components or material found to be non-conforming.

Upon notification of an MRB, the supplier must:

- Inspect and contain all product within 24 hours of notification. This includes the entire supply chain: sub-Tier suppliers, warehouses, third party locations, Supplier assembly plant, etc. as well as all inventory including work in process, raw material, finished goods stock, etc.
- Advise TriMark’s Procurement personnel of their disposition of the parts: Return to Vendor (RTV) / Sort / Rework / Replace / Scrap suspect parts as required to maintain production.

If a SCAR (Supplier Corrective Action Request) is required, the supplier must:

- Analyze root cause and implement permanent corrective action using TriMark’s SCAR (F-187-620) 8D format. Root cause must be validated and verified, including testing where applicable. Supplier documentation must be updated to reflect corrective actions (i.e. Control plan, FMEA, work instructions, etc.).
- Forward the completed SCAR to TriMark Procurement personnel for approval of corrective actions by Supplier Quality Engineer and/or Director of Global Quality Assurance.
- Ensure preventive actions are implemented in other similar processes.

Corrective actions requiring any product design or process flow changes must use the Product Process Change Notification (PPCN) process to notify TriMark. The Supplier is responsible for all costs associated with validating and implementing permanent corrective actions. TriMark may initiate charge-backs to the Supplier for expenses incurred as a result of non-conforming product. TriMark expects suppliers to apply these requirements to their suppliers.

7.7 SUPPLIER CORRECTIVE ACTION REQUESTS (SCARs)

Suppliers shall have a process in place to take corrective and preventive action for any non-conforming material. The purpose of the Supplier Corrective Action Request (SCAR) is to contain, correct and permanently prevent future receipts of non-conforming material.

Each time TriMark notifies the supplier of a SCAR, the supplier is required to send a notification of containment within 24 hours (Sections D1, D2 and D3 of the 8D), and a detailed root cause analysis within 4 weeks (D4-D8). TriMark will issue a SCAR in the form of 8D for suppliers to respond to quality issues. It provides a guide and defines the important aspects of problem management, from containment of the problem to root cause analysis, problem correction and problem prevention. The speed of problem solving from detection to solution to implementation is vital for customer satisfaction. The supplier must prevent any additional non-conforming material from being shipped. Suppliers shall use available root cause analysis tools (5 Why, cause and effect diagrams, Is/Is Not Analysis, 6 Sigma, etc.) to drive problem resolution. The completed SCAR response is due within 4 weeks. If more time is required, an extension must be requested from TriMark's SQE before the due date. You will be contacted on the status of past due SCAR's. TriMark may debit the supplier one hundred dollars (\$100) per SCAR if a written response is not received within twenty (20) working days (4 weeks).

The SCAR (F-187-620) is reviewed by TriMark's Supplier Quality Engineer. Unacceptable or incomplete SCARs are rejected and returned with an explanation. Rejected SCARs remain open until acceptable response is received. TriMark will only accept complete SCAR responses that provide a robust solution to prevent future defects. SCAR responses must show that error-proofing methods were considered and the corrective action impact onto other similar products or processes. Corrective action is intended to produce permanent solutions.

In addition, if a SCAR response is not received, the response continues to be inadequate, or the supplier is not willing to partner with TriMark on corrective action through electronic communication, TriMark may request an onsite visit and/or audit at the supplier's location, with the supplier being charged for the cost of travel, consultation and/or training. If the supplier continues to be nonresponsive and/or willing to assist with corrective action in relation to the factors discussed in this document, TriMark will move towards other business avenues to ensure that our customers and our business is not negatively affected.

8. CONTINUAL IMPROVEMENT

TriMark is passionate about continual improvement and our approach blends the best of Six Sigma and Lean Manufacturing Concepts into what we term "Six Sigma Excellence". We encourage involvement from all employees through our Employee Suggestion System while considering all ideas that are submitted and implementing those that are feasible. TriMark encourages Suppliers to deploy a comprehensive continual improvement philosophy throughout the supplier's organization. A continual improvement philosophy will present opportunities for improvement in the areas of quality, cost, delivery, safety and productivity.