



Artifex Interior Systems Ltd's ■

SUPPLIER REQUIREMENTS MANUAL ■

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1.0 Introduction

This Supplier Requirements Manual, which serves as a Web Guide under Artifex Interior Systems Ltd's Purchase Order Terms and Conditions, has been developed to communicate the Artifex Interior Systems Ltd Global Supplier Quality requirements to all production suppliers and provide an Artifex Interior Systems Ltd common process that includes all phases of APQP, Launch and Current Supplier Quality. The provisions of this Manual are binding on all suppliers to Artifex Interior Systems Group, and its affiliates and subsidiaries (Artifex Interior Systems Ltd).

Should you have any questions, please contact your respective Artifex Interior Systems Ltd Buyer.

Joanne Onions
Quality Director
Artifex Interior Systems Ltd



2.0 Scope

This Manual applies to all Artifex Interior Systems Ltd production suppliers globally. Compliance to the requirements within this Manual as well as to the Purchase Order Terms and Conditions is mandatory.

It is the supplier's responsibility to check at regular intervals for updates to this Manual at artifexinteriorsystems.com.

Subsequent Supplier Bulletins will continue to be published to communicate all updates and changes. All bulletins are communicated to the eCPAST supplier web page.

If for any reason, the website cannot be accessed, it is your responsibility to contact your assigned Artifex Interior Systems Ltd Buyer for a copy of this Manual.

This Global Production Supplier Requirements Manual has been developed to describe and define the requirements and expectations of Artifex Interior Systems Ltd. It is intended to drive consistency in Artifex Interior Systems Ltd's sourcing and procurement activities on a worldwide basis. Our aim is to create a favorable business environment for both Artifex Interior Systems Ltd and our suppliers that strive for customer satisfaction in an environment that supports continuously improving costs, quality, efficiencies, productivity and ultimately, profits.

The value of the supply chain is fully recognized at Artifex Interior Systems Ltd. Continuous improvement can only be attained through effective communications, documentation of Artifex Interior Systems Ltd's expectations and the successful implementation of supportive action plans that support long-term customer loyalty and satisfaction.

Globalization at Artifex Interior Systems Ltd will be achieved through the penetration of existing and emerging markets with breakthrough technology and extensive customer partnerships on a global basis. Artifex Interior Systems Ltd's leadership position is supported by a flexible, cross-functional, global organization that responds quickly to customer and market requirements and that successfully leverages our manufacturing, distribution and supply chain superiority.

Artifex Interior Systems Ltd recognizes its production supply base as an extension of its business and the need for consistent materials suppliers on a global basis.

Our Global Production Supplier Network will help to create value in the supply chain through



continuous improvement, innovation, efficiency and the flexibility to deliver in support of the needs of our customers.



3.1 *Supplier Communication to Artifex Interior Systems Ltd*

Artifex Interior Systems Ltd's expectations are that all suppliers meet or exceed the following requirements:

- Supplier communication to Artifex Interior Systems Ltd will be pro-active and will include notification of any and all sub-supplier or sub-contractor issues that could affect Artifex Interior Systems Ltd or its customers. All communications to Artifex Interior Systems Ltd Corporate will be in English.
- All requests for authorization of any proposed material or process changes or moves of production locations must be submitted 60 days in advance to your receiving ARTIFEX plant Supplier Quality Engineer and Quality Manager, with ARTIFEX Procurement on copy.
- Early notification of any potential supply/ capacity issues are communicated in writing to your receiving ARTIFEX plant Supply Chain Manager, Supplier Quality Engineer, and Quality Manager, with ARTIFEX Procurement on copy.
- Contingency Planning Strategies need to be in place for all manufacturing facilities that ship to Artifex Interior Systems Ltd.
- Upon completion of a program, the supplier will ensure tooling is properly stored to prevent damage and is readily available for service requirements.
- Suppliers must acknowledge that achievement of ZERO DEFECTS is a fundamental objective for Quality and 100% on time Delivery performance is required. Suppliers need to monitor their performance as reported in both the Artifex Interior Systems Ltd Supplier Rating System Monthly Corporate & Common Scorecards and QNs issued in the Supplier Quality Tracking System (SQTS).
- All suppliers are expected to be compliant with the environmental directives of our customers and applicable legal requirements including Product Material Content and Recyclability Reporting (PMCR-IMDS).
- Artifex Interior Systems Ltd wants to ensure that you are aware of the new conflict mineral rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act. This rule imposes a new reporting requirement on certain U.S. manufacturers and contract manufacturers that file with the SEC. If conflict minerals are necessary to the functionality or production of the products of the SEC reporting manufacturer, the manufacturer must now disclose whether their products contain conflict minerals (currently including gold, tantalum, tungsten, and tin) from the Democratic Republic of the Congo (DRC) or an adjoining country. All suppliers are required to report the source of any conflict minerals contained in their products to Artifex Interior Systems Ltd. Artifex Interior Systems Ltd will require these reports at least on an annual basis. Specific inquiries will be addressed to individual suppliers. Further information is available on the A.I.A.G. website (www.aiag.org).



4.1 Registration to Artifex Interior Systems Ltd's Corporate Procurement and Supplier Tracking System (eCPAST)

All suppliers are required to register a supplier administrator for access to the ARTIFEX eCPAST applications.

Your Supplier Administrator will be responsible for assigning user access IDs and passwords for others in your company to access the Artifex Interior Systems Ltd Procurement applications, which include:

- Online Quote
- eCPAST
- Supplier Rating System (SRS)
- Purchase Order Retrieval
- ProLink Supplier Access (APQP)
- Diversity Reporting
- Supplier Quality Tracking System (SQTS)
- Specific Web Guide information by region

To register a supplier administrator for your company, access contact your Artifex Buyer / Commodity Manager.

5.0 External Production Supplier Electronic Data Interchange Requirements (EDI):

- All suppliers supplying production parts, assemblies, components and production materials to Artifex Interior Systems Ltd plants are required to have EDI capabilities.

For additional information on EDI, refer to the Artifex Interior Systems Ltd Website at artifexinteriorsystems.com, log into eCPAST and review the Web Guide for your region.



6.0 *Customs and Importation*

For additional information on Customs and Importation, refer to the Artifex Interior Systems Ltd Website at

artifexinteriorsystems.com, log into eCPAST and review the Web Guide for your region.

7.1 *Supplier Quality Registration and 3rd Party Customer Approval Guidelines*

Artifex Interior Systems Ltd is certified to ISO 9001 2015/IATF 16949 and applicable Customer Specific Requirements as they apply to automotive production and relevant service part organizations.

- **The Artifex Interior Systems Ltd Quality Certification expectation for all approved production supplier manufacturing locations is 3rd party certification to IATF 16949.**

IMPORTANT NOTE:

Registration to ISO 9001:2015 is only acceptable for those production suppliers that do not meet the applicability requirements of IATF 16949 as described below or as an interim step to achieving IATF 16949 certification. Production Suppliers that are not 3rd party certified to these standards shall be required to submit to audits by Artifex Interior Systems Ltd upon request.

- Suppliers are also required to submit renewed certificates for each manufacturing location at time of renewal.
- Information on all certificates **must match** the name and address of record of the manufacturing location. See submission information below.



Applicability Requirements:

IATF 16949 applies to organizations that manufacture products that end up in the final vehicle assembly, including:

- Production Materials
- Production or Service Parts
- Assemblies
- Heat treating, Welding, Painting, Plating or other Finishing Services.

Submission of quality system certificates and transition plans should be sent to: SUPPLIERCERTS@ARTIFEXGROUP.com .

- All Artifex Interior Systems Ltd production suppliers are required to establish documents and implement effective production, quality and management systems compliant with the above outlined requirements, including all customer specified requirements.
- Artifex Interior Systems Ltd reserves the right to verify a supplier’s manufacturing location for site compliance to these standards by performing site audits by a designated Artifex Interior Systems Ltd representative for those suppliers identified as having a high impact to safety, fit, form, function, quality and or Customer down-time.
- The duration of the audit will conform to the full application of the Audit Day requirements table of the “Automotive Certification Scheme for ISO 9001 2015/ IATF16949.”
- Third party certification does not relieve the supplier of the full responsibility of the quality of the product supplied.
- Artifex Interior Systems Ltd requires all production suppliers to monitor their sub-suppliers quality management systems per IATF clause 8.4. This includes suppliers that are not currently registered to ISO 9001 2015/IATF 16949.
 - Verification of sub-suppliers 3rd party certification – includes obtaining a copy of the valid registration certificate and receiving updates as certificates expire.
 - Documented evidence of sub-supplier compliance must be available for review upon request of Artifex Interior Systems Ltd.
 - In the event that a sub-supplier provides a proprietary material, is not registered

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and/or on-site verification is very impractical (limited resources and/or location), exceptions must be documented and approved by an authorized representative of Artifex Interior Systems Ltd Procurement.

8.0 Environmental Requirements

All Artifex Interior Systems Ltd suppliers are expected to work proactively with Artifex Interior Systems Ltd to reduce the environmental footprint of Artifex Interior Systems Ltd's products and comply with the environmental requirements of our customers and those countries in which Artifex Interior Systems Ltd operates.

Additionally, all Artifex Interior Systems Ltd suppliers must have an effective environmental management program in place: Either 3rd party registration to the International Environmental Management Standard ISO 14001:2015 or a Responsible Care Management system.

Suppliers are required to submit copies of all certificates and renewals to SupplierCerts@ARTIFEXGROUP.com

9.0 Information Security

In the context of existing supply relationships, it is of the utmost importance that suppliers meet the security interests and information security requirements of Artifex Interior Systems Ltd and its customers. Therefore, all volumes classified with a corresponding classification (e.g. specifications, design and development data as well as other correspondingly critical information) must be processed and protected in an appropriate manner. TISAX (Trusted Information Security Assessment Exchange - www.tisax.org) defines an industry standard for information protection and assessment requirements that are to be guaranteed within the supply chain. As a supplier, you are required to



actively ensure that your scope of delivery has been classified accordingly and that a valid TISAX certificate can be presented on request.

The same applies to the requirements of ISO 21434 "Road vehicles - Cybersecurity engineering". In terms of the information/cyber security requirements of ARTIFEX, the supplier has the obligation to protect the entire database of existing scopes of delivery against unauthorized access, modification, destruction and other misuse according to the state of the art.

Furthermore, data from ARTIFEX must be strictly separated from data from other customers of the supplier. If an identified, significant case of breach of information/cyber security has occurred, the responsible contact person at ARTIFEX must be informed immediately. The supplier is obliged to provide ARTIFEX with a central contact person for information/cyber security upon request and to inform it immediately of any changes.

Furthermore, the supplier must ensure that its subcontractors meet the described requirements for information/cyber security through suitable contractual regulations.

10.0 Product Materials Content Recyclability Reporting (PMCRR-IMDS)

Product material content, recyclability, weight and other information is to be reported via IMDS as specified below. Product containing substances of concern that are restricted and/or prohibited must comply with current legal and customer requirements. Life cycle assessment (LCA) data may also be required for specific programs.

All suppliers must provide evidence of product data submission acceptance by Artifex Interior Systems Ltd with every PPAP submission, or as requested. A copy of the print out or "screen shot" of the 'Recipient Data' from Artifex Interior Systems Ltd IMDS Site (**66187 for North America, India and Asia – 55789 for Europe**) is considered to be the only valid evidence of acceptable submission. The part numbers in the acceptance note must match the part numbers submitted for PPAP or other approval. PPAP or other approvals will not be granted for the parts not accompanying this documentation. Artifex Interior Systems Ltd suppliers are responsible for cascading this requirement and collecting data from their respective sub-suppliers. Failure to do so will be reflected in the supplier's monthly scorecard performance as measured in "Customer Satisfaction."

All Artifex Interior Systems Ltd suppliers must re-submit their part to Artifex Interior Systems Ltd for re-approval per IMDS and customer requirements.



11.0 Supplier Quality Tracking System (SQTS)

The SQTS is Artifex Interior Systems Ltd's Global Supplier Quality Tracking System for reporting & resolving supplier quality, delivery, customer satisfaction and warranty issues. It is an online 8D system that provides a standardized method of issuing Quality Notices (QNs) to all suppliers. Suppliers must respond to QNs by entering data in the system fields that follow a disciplined problem-solving approach.

Data collected in the SQTS database is linked to the Artifex Interior Systems Ltd Procurement SRS (Supplier Rating System) to generate Supplier Scorecards and Metric Reports.

QNs created for quality, delivery, warranty or customer satisfaction issues represent the number of Written Complaints on each supplier's scorecard.

The number of rejects in a Quality QN will be used in the calculation of a supplier's PPM that will be on each supplier's scorecard. For additional information and instructions on the SQTS System, download the Supplier User Manual at [eCPAST](#).

Requirements:

- All suppliers must have a Supplier System Administrator and have a minimum of two contacts registered w/access to the system at each of their locations that ship to Artifex Interior Systems Ltd.
- Containment actions response to the QN within 24 hours of issue.
- Permanent corrective action within 10 days or updated response for timing of permanent corrective actions (Final Response).
- Suppliers may risk being awarded new business / lose existing business if adherence to SQTS is not followed.



11.1 Production Supplier Performance

To meet the [IATF 16949](#) requirement of measuring supplier performance, the Artifex Interior Systems Ltd Supplier Rating System (SRS) Monthly Scorecard utilizes composite measures which cover various aspects of supplier performance. It provides a monthly and year to date record of the suppliers' quality, delivery, written complaints and customer satisfaction metrics.

These performance metrics also provide:

- Recognition of exceptional supplier performance
- Improved communication on performance issues
- Objective data for use in supplier management and Artifex Interior Systems Ltd sourcing decisions
- Opportunities for continuous improvement

These performance metrics are based on monthly receipt data and Quality Notices issued in the SQTs system by the ARTIFEX receiving plants.

ARTIFEX conducts Internal Quality meetings at the Artifex Interior Systems Ltd production facility and corporate levels. Suppliers that do not meet expectations are required to attend and present containment / corrective actions and are identified based on the following derived from SRS.

- Performance History of Repetitive Quality Issues
- Responsiveness to Concerns
- Severity of Issues
- Warranty Issues

The SRS Scorecards and the Supplier SRS User Manual which includes the scoring criteria for each of the categories are available at eCPAST.

Requirements:

Supplier representatives at both the corporate and manufacturing level are required to download their monthly corporate and common scorecard data each month. Any discrepancies in data must be reported to the individual Artifex Interior Systems Ltd Plant providing the data.



Production Suppliers are required to submit written notification to the receiving Artifex Interior Systems Ltd Plant(s) and to the Artifex Interior Systems Ltd Buyer, the following information:

- All changes in Supplier's "Remit To" information
- Copies of all updated Third Party Quality Certification with expiration dates for each manufacturing site that ships to Artifex Interior Systems Ltd.
- Any changes in ownership of the company/corporation
- Copies of Notification of Third Party Containment



12.0 Pre-production & New Product Launch Requirements (APQP)

All production suppliers involved in pre-production & new product launches are required to produce advanced quality plans to support the development of new products and/or services, in accordance with the guidelines in the *Advanced Product Quality Planning and Control Plan (APQP)* manual published by the Automotive Industry Action Group (A.I.A.G).

12.1 Supplemental requirements, suppliers are also required to:

12.1.1 Download the ProLink Supplier APQP User Guide and communicate the requirements throughout your organization and manufacturing facilities.

12.1.2 Utilize the Artifex Interior Systems Ltd ProLink System

ProLink is a web-based global project management software system that includes a part tracking system, storage of basic part information and Supplier APQP timing.

12.1.3 Enter Supplier APQP timing for each program.

12.1.4 All suppliers are required to:



Submit Form CQI-9 “Heat Treat System Assessment” as an attachment in the ProLink System to document the status of all in-house heat treat processes, all out-sourced heat treated parts and/or all outsourced heat treat services for all purchased and overseas components that are heat treated.

Submit Form CQI-11, “Plating Special Process Audit” as an attachment in the ProLink System to document the status of all plating processes, whether internal to the supplier or outsourced by the supplier.

Submit Form CQI-12, “Coating System Assessment” as an attachment in the ProLink System to document the status of all coating processes, whether internal to the supplier or outsourced by the supplier.

Submit Form CQI-15, “Welding System Assessment” as an attachment in the ProLink System to document the status of all welding processes, whether internal to the supplier or outsourced by the supplier.

Submit Form CQI-23, “ Molding System Assessment”, as an attachment in the ProLink System to document the status of all molding processes, whether internal to the supplier or outsourced by the supplier.

Forms can be found on the AIAG website www.AIAG.org



13.1 Launch Readiness Measures

Artifex Interior Systems Ltd Supplier Management monitors and manages selected suppliers from new product release through the start of production. New product/process launch readiness measures are implemented to ensure that suppliers are able to produce in accordance with all requirements of the Purchase Order and customer requirements (i.e., Part Branding/Identification).

Supplier Risk Assessment:

Supplier Management and Program Management will conduct Supplier Risk Assessments to determine those suppliers whose products are identified as “High-Risk” and will be tracked by Supplier Management. Criteria includes, but is not limited to:

- Product / process complexity
- Product specifications to FMVSS
- New product / complexity for Artifex Interior Systems Ltd
- Product Environmental Impact
- Past product / process concerns
- Supplier launch history
- Impact on final product
- New supplier production location
- Past warranty concerns
- New supplier
- New product / process for supplier
- Mergers, Acquisitions or Affiliations associated with a Supplier
- Economic or Financial Impacts



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Component Review Meeting (CRM):

- Component Review Meetings are held with selected suppliers to identify key product/process characteristics that are statistically monitored to ensure stability.
- Suppliers are required to conduct CRM's with their own sub-suppliers and highlight/identify customer specific requirements, i.e. part branding/identification.

Supplier Document / Process Review:

- All production suppliers are required to complete and return a Supplier Document and Process Review sheet for each representative part number that is scheduled to launch for the current year at the supplier's manufacturing location
 - It is the responsibility of the Artifex Interior Systems Ltd Supplier Quality Engineer and the supplier to identify each representative part number that will be supported by the Supplier Document and Process Review sheets prior to PPAP submission.
 - It is the supplier's responsibility to obtain this information package from artifexinteriorsystems.com under the Supplier Portal, eCPAST, Web Guides, Supplier Development Information and Forms.
 - The cross-functional Artifex Interior Systems Ltd Program Team identifies high risk suppliers and Document and Process Reviews are conducted by the Supplier Quality Engineer.
 - It is a Artifex Interior Systems Ltd requirement that the supplier will perform similar Document and Process Review audits with their sub suppliers and provide that information to Artifex Interior Systems Ltd upon request.
 - Artifex Interior Systems Ltd Supplier Quality Engineering has the authority to request this information or conduct an onsite Document and Process Review audit at any time for existing parts produced by a supplier for Artifex Interior Systems Ltd.
 - All documentation will be provided to Artifex Interior systems Ltd Supplier Management.



- The Supplier Document and Process Review is utilized to demonstrate a supplier's compliance to and the continued improvement of their overall product quality plan.
- Compliance to the Supplier Process and Document Review does not relieve the Supplier of their responsibilities to comply with other specified A.I.A.G. requirements.
 - The Supplier Document and Process Review documents the progress of the supplier's product quality plan.
 - Supplier Management audits the supplier's documentation and manufacturing site, and monitors the supplier's progress in closing any open issues.
 - Suppliers are required to audit their sub-suppliers and conduct similar document and process reviews.

Pre-Launch Production Trial Run:

- All suppliers are required to perform a Run @ Rate prior to PPAP, to verify that the supplier's actual production process is able to meet program volumes at an acceptable quality level.
- Artifex Interior Systems Ltd Supplier Management will coordinate the Run @ Rate with the supplier in accordance with Artifex Interior Systems Ltd Run at Rate Procedures.
- The supplier's process must be able to produce 115% of the quoted volume using production tools and equipment and within the actual manufacturing site and process.
- It is the responsibility of the supplier to enter the completed Run @ Rate documents as an attachment in ProLink



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- Suppliers are required to assure that Run @ Rate is conducted for all sub-suppliers and provide supporting documentation to Artifex Interior Systems Ltd upon request.

Launch Support:

- During any program launch at an Artifex Interior Systems Ltd production facility, selected suppliers may be required to provide on-site representation. The supplier's launch support representative(s) must be knowledgeable, capable and empowered to make decisions. Coverage must be provided for all shifts.
- Suppliers will be selected based on past quality performance and or complexity of components or assemblies being supplied. Suppliers will be identified by Supplier Management.
- Any component or assembly that is identified as a safety or critical item or contains any special record retention requirements must have additional inspection implemented prior to Artifex Interior Systems Ltd receiving the component or assembly for launch. Each component or assembly shipment must be certified for 30 days or 6 shipments of defect free product, whichever is the longer period of time. It is the responsibility of Artifex Interior Systems Ltd Supplier Management to approve part certification plans.
- Suppliers may be required to attend key event builds prior to production launch. Suppliers will be identified by Supplier Management.

Production Part Approval:

- All production suppliers are required to obtain full approval from the Artifex Interior Systems Ltd receiving facility per the requirements of the A.I.A.G. Production Part Approval Process (PPAP) Manual, according to the latest revision level.
- All sample submissions are to be Level 3 unless otherwise specified
- Annual Layouts are required to verify continuing conformance on all parts & components.



- If the Artifex Interior Systems Ltd Plant is required to submit PPAP to its' customer, all supplier PPAP documentation must be no more than one year old. PMCRR- IMDS data must be updated per IMDS and customer requirements.
- All PPAP's over one year old are to be updated upon written request from the Artifex Interior Systems Ltd Plant.

Tooling Identification:

- All tooling, fixtures, gages, assembly aids or equipment (defined as tooling) that has been authorized by the issuance of an Artifex Interior Systems Ltd Purchase Order or placed under Artifex Interior Systems Ltd control by an OEM Customer resourcing action or as the result of an acquisition must be identified and documented.
- No tooling payment submission will be accepted without the appropriate identification and documentation. For specific requirements refer to the “Artifex Interior Systems Ltd Supplemental Tooling and Equipment Terms” found on the Artifex Interior Systems Ltd website (artifexinteriorsystems.com) under Supplier Applications, eCPAST, Web Guides.



14.0 Production Phase/Manufacturing

14.1 All Product or Process Changes

Advance written approval from the Artifex Interior Systems Ltd Buyer is required for all changes to a supplier's product or process.

- Samples may be required for review and to evaluate potential impact on Artifex Interior Systems Ltd's manufacturing processes.
- Submission for PPAP approval is required unless specifically waived.

14.2 Production Location Changes

Production Suppliers must obtain **advance written approval** for **ALL** production location changes from both Artifex Interior Systems Ltd Procurement and **ALL** receiving Artifex Interior Systems Ltd facilities as required in the most current edition of the A.I.A.G., Production Part Approval Process (PPAP) under "Customer Notification & Submission Requirements."

Suppliers are to submit a completed "Supplier Location/Process Change Request" form to their Artifex Interior Systems Ltd buyer and the Artifex Interior Systems Ltd receiving plant(s) 30 days in advance to obtain approval for a production location change. Copies are available in the Web Guide for "Supplier Development Information and Forms" which is located on the Artifex Interior Systems Ltd Supplier Portal (eCPAST) at artifexinteriorsystems.com.

Input from Artifex Interior Systems Ltd Procurement, Program Management, and the receiving Artifex Interior Systems Ltd plant(s) is required for obtaining approval for the supplier location change.

The Tool Move Plan must include the requirements of a production bank to ensure Artifex Interior Systems Ltd's Production and Service requirements are not affected. Additionally, all shared tooling must be called out and identified in the Tool Move Plan.



PPAP submission (Level 3 unless otherwise directed by the receiving plant) and approval from the Artifex Interior Systems Ltd receiving plant is required **prior** to the shipment of production material from the new location. An Exit PPAP from the prior facility is also required.

14.3 PPAP Submissions Over 1 Year Old

Whenever Artifex Interior Systems Ltd is required to submit PPAP to its' customer, all Production Supplier PPAP documentation must be no more than one year old.

At that time, all PPAP's over one year old are to be updated upon request by the receiving Artifex Interior Systems Ltd Plant location, regardless of the supplier's business relationship (i.e. customer directed) with Artifex Interior Systems Ltd's customer.

14.4 Production Supplier Extended Shutdown/Start-Up Audit (SESSA)

Artifex Interior Systems Ltd Procurement and **ALL** receiving Artifex Interior Systems Ltd facilities must be **notified in writing** prior to a supplier's extended production shutdown and must submit a completed SESSA audit that covers all products at each of their manufacturing locations that ship to Artifex Interior Systems Ltd.

The complete audit(s) are submitted to the Artifex Interior Systems Ltd Buyer **with a copy to the** Supplier Management Mailbox at suppliercerts@ARTIFEXGROUP.com. Subject line of email should read: SESSA Audit Response

Copies of the "Supplier Notification of Extended Shutdown/Start-Up Audit" are available in the Web Guide for "Supplier Development Information and Forms" which is located on the Artifex Interior Systems Ltd Supplier Portal (eCPAST) at artifexinteriorsystems.com.

- Examples of Extended Shutdown/Start-up periods include Customer change-over, unscheduled preventative maintenance for Tooling, Machinery, extended Holiday closings, or the anticipation of a work stoppage due to Union Contract Negotiations.
- SESSA audits submitted for a supplier's unionized facilities that manufacture and ship product to an Artifex Interior Systems Ltd facility must be submitted six (6) months prior to the actual Union contract expiration date.



- All questions that are answered as “NO” require an action plan and the action plan must in place prior to the shutdown period to insure compliance.

15.0 Sub-contractor Development

With the increasing demands of Artifex Interior Systems Ltd’s customers for higher quality at a lower cost, the entire supply chain is responsible for increasing quality and contribution to a lower overall cost.

By developing and improving sub-contractors, Artifex Interior Systems Ltd’s production suppliers could obtain substantial savings to themselves and ultimately, to Artifex Interior Systems Ltd.

It is Artifex Interior Systems Ltd’s expectation that all Artifex Interior Systems Ltd production suppliers work closely with their supply base to insure that the quality level of received product meets Artifex Interior Systems Ltd’s requirements and expectations.

The primary area of focus is in the communication and documentation of customer requirements, which is achieved through APQP (Advanced Product Quality Planning).

Through the APQP process, the subcontractor is informed of customer requirements and expectations and develops the process foundation.



16.1 Production Supplier Controlled Shipping Status

The Artifex Interior Systems Ltd Plant facility or Artifex Interior Systems Ltd Management issues a Quality Notice (**QN**) in the Artifex Interior Systems Ltd's Supplier Quality Tracking System (**SQTS**).

The Plant initiates the written documentation to notify a supplier of Controlled Shipping Status, CS Level I or CS Level II as identified below:

Controlled Shipping - Level I (CS I)

CS I requires the supplier to implement extraordinary inspection of product to contain a specific failure.

Containment actions must verify that requirements are met and approved by the Artifex Interior Systems Ltd receiving plant.

Controlled Shipping - Level II (CS II)

CS II requires the supplier to provide an independent third party to inspect product separated from normal production process prior to release for shipment to the Artifex Interior Systems Ltd receiving plant.

CS II is initiated if the supplier fails to contain non-conforming product within its' own facility. Regardless of introduction of CS II the additional inspection for CS I will stay in place.

The Artifex Interior Systems Ltd plant and the supplier must agree on the documentation required, content and duration of containment.

Items to be inspected can include:

- PFMEA top 3 highest RPN
- Historic failure modes during launch
- Prototype phase quality issues (either internally at supplier or at the customer)
- Late engineering changes
- Potential high-impact customer issues
- Federal Motor Vehicle Safety Standards (FMVSS) Requirements or Safety Related Issues

Determination of CS I Status

CS I is required when extraordinary inspections have to be implemented due to failures which have been detected by Artifex Interior Systems Ltd, or major discrepancies which have been identified during a process audit conducted by Artifex Interior Systems Ltd.

The supplier must verify that the actions taken meet all Artifex Interior Systems Ltd requirements. Inspections and methods must be approved by the receiving Artifex

Interior Systems Ltd plant. All containment actions must be documented according to Artifex Interior Systems Ltd's requirements.

The supplier is required to:

- Immediately establish a containment process at its' location. Containment can be placed in line after final inspection or may be located off line in a separate area.
- Ensure understanding of the nonconformance.
- Return confirmation reply as required.
- Purge pipeline of suspect material.
- Commence the sort activities and display the results in a public and visible location.
- Track clean point of non-conforming material, e.g. material in transit, storage, at an Artifex Interior Systems Ltd plant etc.
- Provide proper layout and instruction documents, space and tooling.
- Notify any and all additional Artifex Interior Systems Ltd plants or customer plants that receive the same part, informing them of the nonconformance and provide containment activities as required.
- Parts, material and containers are to be marked, as agreed with Artifex Interior Systems Ltd plant, to identify parts certified for production.



- Perform corrective actions including all steps of the 8D process.



- Review corrective actions for effectiveness and take further actions if required to eliminate issue long term.
- Conduct a daily management meeting at the sort location.
- Report results & findings to the Artifex Interior Systems Ltd receiving plant(s) on a daily basis.
- Meet defined exit criteria.

Additional Supplier Information about CS I

The supplier is notified in writing of the containment status by the affected Artifex Interior Systems Ltd plant. The Supplier must confirm CS I Status within 24 hours and include supplier contact information and detailed action plan. All related documentation will be contained within the Quality Notice (QN).

The Artifex Interior Systems Ltd Plant SQE, Director of Supplier Management and Artifex Interior Systems Ltd Buyer must receive the following information:

- Supplier Name, SRS Common Vendor number, Location & Supplier Contact Information
- Program, Customer
- Number of non-conformances
- Date CS I status initiated
- List of all defined exit criteria

This information must be included in the Supplier's Containment Summary to provide cross communication between the Artifex Interior Systems Ltd plants with common suppliers and for use in future sourcing activities.

Exit Criteria for CS I

The Exit Criteria is based on long term actions and results and must be agreed by the receiving Artifex Interior Systems Ltd plant. The Artifex Interior Systems Ltd plant will inform the supplier in writing of release from containment and will also notify the Artifex Interior Systems Ltd Director of Supplier Management and Artifex Interior Systems Ltd Buyer.

Determination of CS II Status

CS II requires the supplier to inspect all suspect parts in an area separate from their normal production process prior to shipment to Artifex Interior Systems Ltd by an independent third-party inspection source. CS II may be initiated if:

- The supplier has failed to contain non-conforming products in Launch Containment and/or CS I status
- There are safety related or FMVSS issues
- There is a risk in the field with the Customer

The supplier must verify that all actions taken meet all Artifex Interior Systems Ltd requirements. Inspections and methods must be approved by the receiving Artifex Interior Systems Ltd plant. All containment actions must be documented according to Artifex Interior Systems Ltd's requirements.

In addition to maintaining the requirements of CS I activities, the supplier is immediately required to:

- Contact a third-party inspection source for the controlled shipping inspection.
- Issue a purchase order to the controlled shipping third party inspection source within 24 hours of receiving the CS II letter and forward a copy of their purchase order for 3rd party inspection services to the Artifex Interior Systems Ltd Plant.
- Provide adequate trained resources to continue with CS I inspections.
- If requested by the Customer, the supplier must submit corrective action plans to its' ISO/TS registrar for review and/or assessment and authorizes its' ISO/TS registrar to submit the review and/or assessment findings to the Customer.

Exit Criteria for CS II Status

The Exit Criteria is based on long-term corrective actions and results by the supplier and must be approved by the Artifex Interior Systems Ltd plant. The supplier's release from containment is given in writing by the Artifex Interior Systems Ltd plant and is copied to the Director of Supplier Management and the Artifex Interior Systems Ltd Buyer.

The Artifex Interior Systems Ltd Plant SQE/Quality Manager can replace CS II with CS I if the long-term solution lead-time is too long and the reliability of supplier performing CS I.

Failure to meet exit criteria for CS II may result in new business hold status (NBH).



COST RECOVERY POLICY:

Production Suppliers are liable for all costs incurred by Artifex Interior Systems Ltd when the cause is the supplier's responsibility. The specific applicable rate table can be obtained from the supplier's Artifex Interior Systems Ltd Buyer. These are outlined below:

- **PRODUCTION SUPPLIERS** – Charges to production suppliers will be based on local rates of the affected Artifex Interior Systems Ltd plant. Refer to the guidelines below regarding applicable charge backs to suppliers.
- **ADMINISTRATIVE CHARGE** - Each Quality Notice (QN) may have an administrative charge covering the collection of data and documentation of the quality incident/spill.
- **OTHER CHARGES** - the following types of charges will be calculated on the actual time incurred for the associated action:
 - Rework / Repair (Supplier Fault)
 - Premium Freight Costs including Air Charter, if required
 - Overtime to Avoid Production Interruption
 - Disposition of Scrap (Supplier Fault)
 - Production Downtime for Artifex Interior Systems Ltd and End Customer
 - Sorting of Suspect Material In-House, and Customer Location(s) or Third-Party Warehouse and Contractor Costs
 - On-Line Containment
 - Tear-Down (Minor, Major or Complete) and Outside Lab Testing
 - Customer Returns including hourly charges, and transportation on on-site inspections.
 - Receiving Inspection, Material Handling and Freight associated with Scrap and Replacement Material
 - Delays in Customer PPAP or other approvals based upon submission of the necessary data to the appropriate Artifex Interior Systems Ltd IMDS Site in a timely and accurate manner or caused by the presence of substances of concern.