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Section 1.0 Axiom Group Inc. Supplier Manual

1.1 Scope

To clearly define the term and conditions with respect to business practices between Axiom Group Inc. and its suppliers. The business expectations and practices must be followed and agreed upon as defined within this document.

1.2 Introduction

Dear Supplier,

This supplier manual has been created to assist you in understanding your responsibilities as a supplier to Axiom Group Inc. and/or its divisions.

I would like to communicate our commitment and dedication with respect to supply chain management and the mutual co-operation required from all involved parties. Axiom Group Inc.’s philosophy embraces the spirit of continuous improvement, trust, and respect, which will result in prosperity for Axiom Group Inc. and our suppliers alike. Our commitment is to provide the best possible products and services to our customers at the best possible value on time, all the time. So for everyone’s success in this endeavor, we need full commitment, cooperation and integration from all supply chain partners. Axiom Group strictly follows World Class Manufacturing procedure and guidelines at our manufacturing sites, which include Safety, Environment, Quality, Delivery, Total Cost and Resource Development. We encourage all of our suppliers to also follow these principles to ensure a committed supply base to support our requirements.

We look forward to a mutually beneficial long-term relationship.

Sincerely,

Perry Rizzo,
CEO
1.3 Purpose

The Purpose of this manual is to define Axiom Group’s expectations and requirements for our current and potential new Suppliers that are the backbone of a long term mutually beneficial and profitable relationship.

Suppliers to Axiom Group are expected to implement and maintain a robust Quality Management System which promotes defect free products through prevention, monitoring and continual improvement.

All expectations and requirements are intended to assure safe, reliable products from Suppliers, which meet our customers’ expectations for quality, delivery, and price. We are committed to working with our Suppliers to assist in meeting this intent and to leverage continual improvement, emphasizing defect prevention and waste reduction in the supply chain.

Axiom Group will assess each Supplier’s ability to comply with the requirements contained in this manual and based on the perceived risk assessment may include an on-site audit of the facility by Axiom Purchasing & Quality Group.

Axiom Group expects all suppliers to acknowledge and comply with the requirements contained in this manual. Suppliers are encouraged to reply back with signed Acknowledgement form and submit it via e-mail to Axiom Group SQE.

Suppliers are also encouraged to visit Axiom’s website i.e. www.Axiomgroup.ca and review a controlled Copy of this manual for up to date guidelines. Further information is also available by contacting Purchasing Department.

Our full Purchase Order Terms and Conditions can be found on our website as well.
1.4 Acknowledgement Form

Please sign and e-mail a copy of this form to Axiom Group Inc.’s Purchasing Manager. This will indicate that you have received the Supplier Manual, reviewed the contents, and have agreed to them.

This is a controlled document and revisions will be sent to the main contact as indicated below.

If you have comments, please list them below:

Contact Information:-

Company Name:

Address:

Phone No:
Authorized Signature:
Name and Title:
Date Signed:
1.5 Axiom Group – Divisional Overview

Axiom Group Inc. founded in 1987 has remained focused and committed to the manufacturing industry. With numerous years of experience manufacturing quality products, Axiom Group specializes in design, development and production of thermoplastic injection molding of components and assemblies for various automotive customers worldwide. Axiom and our divisions are focused on our customer’s requirements and their respective needs for World Class Manufacturing and product development. Our experience in Plastic Part Development and knowledge of Complex Injection Moulding process has allowed us to achieve Innovations which are changing conventional methods and approaches. At Axiom, all of our divisions invest in the latest manufacturing methodology, systems, equipment and training. World Class Manufacturing cannot be achieved without this commitment.

Our corporate mission is to deliver the highest quality product with the greatest technical support, providing our customers with the most valuable option on the marketplace.

Axiom Group Inc. has the following divisions.

- Axiom Plastics Division - Canada & Mexico
- Intex Tooling Technologies - Tooling Division (North America)
- Axiom Italia - Plastics Division (Italy)
- Smart Attend – Production Monitoring System (Canada)

The divisional structure is supported by production, program management, engineering and sales at the manufacturing site locations with additional support for purchase/sales/engineering from corporate headquarter in Aurora Canada.
1.6 Personnel Contact Information

Main line # 905 727 2878

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1.7 Code of Conduct

All Suppliers and Sub Suppliers to Axiom Group Inc. must have a formalized code of conduct that specifically addresses and is consistent with AIAG Corporate Responsibility Guidance Statements in such areas as Basic Human Rights, Forced / Compulsory Labor, Child Labor, Privacy, Conflict of interest, Discrimination and Harassment, Freedom of Association, Health & Safety, Compensation and Working Hours including overtime. Employees of Suppliers are to be trained / aware of these codes of conduct.

This Axiom Supplier Code of Conduct formalizes the key principles under which suppliers to Axiom Group Inc. and its global subsidiaries are required to operate. In selecting suppliers, Axiom works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with those of Axiom.

This Code formalizes Axiom’s practices and makes clear that, recognizing differences in cultures and legal requirements, we expect that wherever our products and the components that comprise them are produced, they are produced in a manner compatible with the high standards that contribute to the outstanding reputation of Axiom and our businesses. Suppliers are required to comply with this Code and to have and maintain practices similar to those in the Axiom Code of conduct.

This Code applies to all facilities involved in the production of products and components for Axiom or any of its subsidiaries ("Axiom Suppliers").

Axiom strongly encourages suppliers to exceed the requirements of this Code and promote best practices and continuous improvement throughout their operations. Axiom Suppliers must operate in full compliance with all applicable laws and regulations of the countries in which they operate, and in full compliance with this Code.

Axiom Suppliers are expected to take necessary corrective actions to promptly remedy any identified noncompliance. Axiom reserves the right to terminate its business relationship with any Axiom Supplier who is unwilling or unable to comply with this Code.
Section 2.0 - Quality Management System

2.1 General Requirement
A robust Quality Management System is an initial base requirement to become an Axiom Supplier. The quality management system that forms the basis for activities and agreements between Axiom Group Inc. and suppliers is to ISO 9001 latest edition certification and working towards getting certified to IATF 16949 latest revision. Suppliers are expected to implement, maintain, and improve their certification to this technical specification with the objective of achieving zero defects and continually striving to improve product quality and delivery.

In addition to certification to ISO 9001/ IATF, suppliers and subcontractors shall demonstrate the ability to meet quality standards and customer specific requirements and Supplier should give preference to ISO/ IATF certified Tier-II supply chain and should ensure consistent quality products with effective traceability and system implementation.

Axiom will accept Suppliers registered to ISO 9001 /IATF 16949 latest version, with the ability to meet AIAG (Automotive Industry Action Group) latest edition manuals of Core Tools (APQP, PPAP, FMEA, MSA, and SPC), Axiom specific requirements, and our customers’ “Customer Specific Requirements”.

Certificates are to be provided to the individual plants placing orders with the individual Suppliers and updated as required.

Calibration and Testing Service Suppliers must be certified to ISO/IEC 17025 by an accredited third party certification body or approved in writing by the OEM.

In the event of changes to the quality management system certification status, Axiom purchasing department is to be notified within five business days.

2.2- End Customer Expectations
In the automotive industry today it is necessary for all Suppliers to be familiar with the end customer’s quality requirements as it is a requirement of Axiom to cascade these requirements down to our supply base. Axiom expects its Suppliers to be familiar with and implement our end customers’ requirements. This includes but is not limited to annual layout and/or functional testing & adherence to various CQI process requirements.

Section 3- Supply Chain Management

3.1- Supplier Selection
Potential Suppliers go through a selection process and upon approval are listed in the Approved Supplier List. Sourcing is done from those listed in the Approved Supplier List and remaining in good standing. An evaluation process is conducted to ensure all suppliers continue to meet Axiom’s expectation for quality, delivery, responsiveness, ability to stay current with technology and cost.
All present and potential suppliers to Axiom shall be able to demonstrate, with evidence that they have implemented and maintain a Quality Management System that conforms to the requirements detailed in ISO 9001 / IATF 16949 latest editions.

The Axiom purchasing manager will notify the nominated Supplier of a new business award by issuing a Purchase Order for the program. In special circumstances, a letter of intent may be issued and can only be issued by Axiom Corporate Purchasing Department. The Supplier will submit PPAP based on Purchase Order acceptance, other discretionary requirements will be clearly identified as a condition of the Purchase Order.

Approved supplier should assess the sub-supplier’s quality system, manufacturing and delivery systems capability, and the risk to Axiom. Suppliers are responsible for ensuring that sub-suppliers are certified/develop a quality management system that facilitates defect prevention, monitoring, and improvement. The supplier is responsible to manage production risk through sourcing to financially stable sub-suppliers

3.2- Approval

Potential Suppliers will be requested to submit Supplier Self-Assessment form. Once completed the forms are to be submitted along with copies of quality system certification to purchasing and supplier quality team.

This form will require to be updated whenever any of the content changes, such as changes of key personnel. In addition the potential Supplier shall provide in writing a separate list with the names, responsibilities, address, phone numbers and email for those occupying the position of President/Senior Executive, Top Sales Executive, Account Manager, Quality Manager and a primary Program Manager.

At the discretion of the Buyer, a pre-award/technical review meeting for new or current Suppliers offering new products or services may be conducted prior to the commencement of supply, based on risk assessment or potential issues, if identified. Technical, quality, manufacturing, engineering, purchasing, delivery, capacity and business issues shall be reviewed during this meeting to provide:

- The Supplier, with a thorough understanding of Axiom requirements and expectations.
- Axiom a thorough understanding of the Supplier's capabilities, program risks and limitations.

3.3- Supplier Development Program

Axiom will prioritize Supplier development based on the performance results, associated risks, and criticality of the product and components.

The Supplier development plan can consist of the request for corrective action, scheduled progress report meetings, audits by Axiom plant and on-site support of quality systems.

Supplier development plans may include support in quality systems improvement, lean manufacturing technical cost reduction, problems solving, etc.

Axiom has high expectations from all Suppliers and will seek to work with Suppliers that demonstrate a strong commitment to quality improvement, continuous improvement and cost savings.
3.4- Supplier’s Performance Expectation & Evaluation

It is expected that suppliers will work towards achieving a zero defectives target, with 100% on time delivery for ordered quantity. Suppliers shall understand that any established score is not an acceptable quality level, but represents an intermediate continuous improvement step toward shipment of components/materials meeting the Zero Defects requirement.

Supplier performance will be measured on below criteria’s with expectation of 100% score in all areas maintaining the overall score in the preferred range of 90%-100%.

1) Quality (PPM)
2) Disruptions (Total Number of NCR’s)
3) Notifications (Customer inputs and third party containment)
4) Delivery (Quantity, On time)
5) Disruption at the receiving plant, Yard Holds & Stop Ship
6) Premium Freight Incidents
7) Dealer Return / Warranty / Field Action / Recalls

Supplier’s performance score will be reviewed and action will be taken based on the below ratings:

- Preferred 90 to 100 %: Dark Green
- Acceptable 80 to 89%: Light Green
- Developmental 60 to 79 %: Yellow
- Termination 00 to 59%: Red

Compliance with all corrective action (for <90% score) requested by Axiom plant is mandated. The Scorecard has been based on a familiar 100 point scale. Performance is tracked monthly and the report is issued in the month following the last quarter and delivered electronically to the Supplier’s contact on record.
An 8D will be required for all issued supplier nonconformance. A containment response is expected within 24 hrs.; a root cause analysis and a permanent action plan is expected within 7 calendar days; closure of the 8D is expected within 14 calendar days.

3.5- Supplier Escalation Process


Standard Process:

- Performance monitoring
- Normal non-conformance process
- Supplier rating “Green”

Escalation Level 1:

- Division notification to supplier
- Level 1 containment (Option)
- Corrective actions due
- Supplier rating “Yellow”
- Potential Plant New Business Hold
- Supplier rating updated in databases
- Quality Alert issued to applicable divisions

GROUP/BU: (R, S) Group QE, (R, S) Corporate SQA, (S) Plant purchasing/quality, (S) Group Commodity/ Buyer, (I) Director of Purchasing

Escalation Level 2:

- Axiom notification to supplier
- Level 2 containment (Option)
- Supplier Assessment
- Potential new business hold
- Supplier rating “Yellow/Red”
- Potential Group New Business Hold
- Potential Regional/Global New Business Hold
- Supplier rating updated in databases
- Potential Supplier visit and audit to be performed
- Formal development plan implemented

CORPORATE/GLOBAL: (R) Corporate SQA, (R) Director of Purchasing, (S) Plant purchasing/quality, (S) Group QE Lead, (S) Group Commodity/ Buyer, (I) Group Operations V.P.

Escalation Level 3:

- Notification to Registrar (Option)
- Top level escalation meeting
- Level 2 Containment (Option/Mandatory)
- New business hold/Resource
- Supplier rating “Red” (Repetitiveness/Ongoing Issues)
• New business hold (regional)
• New business hold (global)
• Supplier rating updated in databases
• Re-source plan (non-directed business only)
• Customer negotiation (directed only)
• Mandatory Supplier visit and audit to be performed

E1 Exit Criteria: - Corrective actions for all systemic failure modes - Sustained performance improvement –Axiom Group (Operations) approval

E2/E3 Exit Criteria: - Corrective actions for all assessment open issues - Containment defects at/below agreed targets -Minimum 6 months at approved performance levels

ROLES:
• Responsible
• Support
• Inform

The Axiom Group Supplier Escalation Process is designed to assist plants in their efforts to reduce chronic supplier quality and delivery issues and drive improvement in overall supplier performance.

The escalation process is only initiated after reasonable efforts have been made at the plant level, to address concerns and drive improvement, but without satisfactory results.

The escalation process ensures that:
• Appropriate levels of management are aware of issues and engaged in the resolution process
• Adequate resources are assigned to drive resolution of issues and improvement
• Axiom leverages the Supplier’s ISO/IATF Registrar appropriately
• The Axiom “New Business Hold” and/or “Re-sourcing” decision is only made after a thorough review and a consensus by all receiving Axiom Operations
• Appropriate communication is made to both Supplier and Axiom Executive Management

The length of time spent at each step will be affected by the risk level and cost being incurred by Axiom, as well as performance in meeting defined exit criteria.

3.6- Delivery Expectations
Axiom issues release dates through the “Axiom Release Schedule” it is important to note that these are in-house arrival dates. It is expected that the Suppliers use appropriate lead times to ensure product arrives to schedule.

On time delivery is a key part of meeting our customers’ expectations, the product we receive from our supply base also needs to meet these expectations. Supplier’s delivery performance is calculated through tracking non-compliance to shipping dates, quantities, expedited freight.

3.7- Customer Specific Requirements
Specific OEM’s Customer Specific Requirements are an integral part of doing business in the automotive industry and are a part of the contract with Axiom. It is expected that all suppliers become knowledgeable in and practice all applicable OEM’s customer specific requirements.

Examples are:

CQI-8 Layered Process Audit Guideline
CQI-9 Special Process: Heat Treat System Assessment
CQI-11 Special Process: Plating System Assessment
CQI-12 Special Process: Coating System Assessment
CQI-15 Special Process: Welding System Assessment
CQI-17 Special Process: Soldering System Assessment
CQI-23 Molding System Assessment
Flammability etc.

3.8- Control of Customer Directed Suppliers
For any customer directed supplier in which Axiom is responsible for the quality, cost, and delivery of the parts, that supplier shall follow all Axiom requirements as outlined in this Supplier Quality Manual.

Section 4- Product/Process Development Requirements

4.1- General
Axiom requires all Suppliers of production, service and prototype parts to follow the guidelines provided in the AIAG Core Tools manuals.

At the launch of any new programs or the changeover of existing parts the Suppliers product and process, development practices are expected to follow the elements as defined in the AIAG APQP (Advanced Product Quality Planning) manual. On any changeover of existing parts, Suppliers are required to do a detailed review of existing parts to fully understand the quality appearance and functionality of the part(s).

When customer directed Suppliers are required to be used, the same level of controls are practiced as would be expected of the regular supply base.

The Supplier shall plan and develop quality systems and manufacturing processes required for product acceptance (PPAP) based on their quote and Axiom’s program timing. Each Supplier shall develop a quality plan that promotes CI in all activities such as quality, cost, and delivery and where appropriate, design and development. Documentation providing evidence of adherence to this plan shall be made available to the Buyer/SQA upon request.

4.2- Program Development
At the time of any new job award or the changeover of existing parts a pre-award review will be held with the Supplier’s multi-disciplinary APQP team prior to the release of a Purchase Order for materials, products or services related to production, the intent of the meeting will be to ensure the Supplier has a thorough understanding of the requirements and expectations of the job in addition to Axiom understanding the Supplier’s capabilities, program risks and limitations.

- **Prototype Parts:**
The goal is to manufacture prototype parts using a production based process in order to learn and develop robust part(s) for full production. At a minimum the Supplier must use process planning (flow charts, control plans, inspection plans, and work instructions) to define and implement the prototype build. All special and critical characteristics must be documented on all process control documents.

Prototype parts must meet all drawing requirements prior to shipment. Supplier must have a dimensional plan to layout or CMM parts to show conformance to drawing requirements for each serial numbered part, as required. Quantity of parts inspected will be documented in the specific build plan.

Engineering prototype parts with documentation of specification conformance shall be submitted for engineering validation testing. Documentation shall meet Axiom, AIAG, and Customer Specific Requirements.

A robust APQP process with strong communication within the Supplier’s organization and with Axiom personnel is necessary to ensure all timelines, specifications and costs are met. Suppliers may be required to attend and support APQP meetings at Axiom or at the end customer’s facilities.

Suppliers are responsible for sub-Supplier’s program activities and to ensure the relevant documentation is available to support all APQP activities and the PPAP approval process.

Suppliers must have an effective continuous improvement process that reduces the Risk Priority Number (RPN) by operation. An RPN reduction system must be clearly defined with specified values over which action items will be taken.

All production part sample submission shall include all requirements listed in the PPAP manual. Any deviations from these requirements shall only be authorized by Axiom Supplier Quality Assurance. The need for an Appearance Approval Report and other discretionary requirements will be clearly identified as a condition on the Purchase Order.

All PPAP submissions are to be in electronic media.

### 4.3 - Special Characteristics
Product is designated with special characteristics because variation is likely to significantly affect customer satisfaction with product fit, form, or function. These designations are defined by Axiom or our customer and listed on the design record. These characteristics shall be identified on all PFMEA’s and Control Plans that are developed in accordance with AIAG’s, FMEA and APQP manuals. Special characteristics can include product characteristics and process parameters.

- Definition of Axiom Special Characteristics:
“{SC}” = Product’s safety or compliance with regulatory requirements as judged by the Axiom internal cross functional APQP team assigned to the project.

“[KC]” = Product’s fit / function or has need for high visibility as judged by the Axiom internal cross functional APQP team assigned to the project.

All {SC} and [KC]’s listed on the design record shall be statistically monitored to prove capability. Process capability must be documented and evaluated. At minimum, the Supplier shall be familiar with and apply SPC as per the AIAG’s SPC manual.

Minimum requirement for short-term capability is Ppk 1.67 and long-term is Cpk 1.33. Items not meeting the above capability criteria shall be 100% inspected until capability is resolved. Test data is to be submitted to the respective Axiom plant as required.

- Control of Significant and Critical Characteristics
In general, those suppliers who produce a component, a subsystem, or a complete system are responsible for the delivered quality of the product and for creating and retaining the required documentation. Suppliers are obliged to follow Customer Specific Requirements Procedures where identified by Axiom Customers. In absence the default system should be defined by ISO IATF16949, AIAG QS900 SPC Manual, or VDA manual.

Axiom suppliers are expected to establish the appropriate Process Controls for all Significant / Critical characteristic(s) identified during the APQP process and document these controls in the Control Plan.

In all cases whether Axiom is the design authority or Supplier is the design authority, Significant and Critical Characteristics will be identified on the part drawing, in test specifications, and other applicable design records.

In all cases, the Suppliers Design Records will identify these characteristics. If the Design Records are proprietary, protected information, then the Suppliers Control Plan shall identify the Characteristics, Control Method, Gages used, and Frequency of Sampling.

Axiom in conjunction with our Customers may require specific symbols to be used for these designations. The default identification scheme is defined in below table.
4.4- Error Proofing
During the APQP process, the Supplier shall implement all necessary error proofing into the manufacturing process to eliminate or reduce the manufacture of defective product. The error proofing methods and devices shall be recorded in the PFMEA and Control Plans.

Error proofing devices shall be verified with at least once a shift and records kept to ensure the device is continuing to function effectively.

4.5- PPAP
All PPAP’s are submitted in accordance with AIAG’s PPAP (latest version) manual and the individual customers’ Customer Specific Requirements.

Supplier shall submit Level 3 PPAP documentation at a minimum unless otherwise agreed upon in writing from Axiom Supplier Quality Assurance. Data must be submitted to IMDS database by the Supplier prior to PPAP. All PPAP’s are to be submitted electronically.

Suppliers are expected to maintain a record of all PPAP documentation submitted including approved PPAP parts.

The supplier must develop a Safe Launch plan. It must be approved by Axiom Supplier Quality. Axiom Supplier Quality may require the continuation and/or modification of Safe launch if defects escape the supplier while Safe Launch is in operation.

PPAP and Quality records to be kept by supplier for product life plus one year, the minimum run size for a PPAP is 300 pieces unless otherwise agreed in writing by Axiom Manufacturing Plants. Six sample parts are required for each PPAP submission. These parts shall be suitably identified and sent to the appropriate Quality Manager.

4.6- Containment Requirements (Safe Launch)
Axiom requires all Suppliers of production parts to utilize a containment program for all pre-production, ramp-up, system fill and for any product manufactures after a shutdown of 5 or more consecutive days. Containment will be kept in place until Axiom or the customers exit criteria is met. This means that the Suppliers process is capable of sustained production meeting all contractual requirements.

Acceptable containment processes are those that met the same intent as “Safe Launch”.

Data collected from the containment process needs to be made available to Axiom personnel as required.

Suppliers shipping parts under Safe Launch Plan shall create a separate label, placed on each container, showing “SLP” to indicate these parts.

Note: Exit criteria for the Safe Launch Plan is shipment of zero defect parts that meet either the defined period of time or number of pieces. Any defect discovered during the SLP period restarts the event to “0” pieces shipped.
4.7- Process and/or Product Changes

Unapproved changes are not acceptable; they put at risk our processes and those of our customers. Any requested changes shall be initiated with a formal change request to Axiom Engineering and Axiom procurement personnel followed by a PPAP meeting the conditions required for re-submission as detailed in AIAG’s PPAP manual and applicable Customer Specific Requirements.

Any request for changes will be addressed to the respective Axiom engineering representative and Axiom procurement personnel. Approvals to a request for change must be obtained before implementing the change. A deviation may be obtained from Axiom engineering in the form of a signed Design or Process Concession. Add link to form.

Axiom expects its suppliers to verify and document the product dimensional before and after each approved ECR change. They are to communicate any issues or concerns with the design, material, performance, appearance, durability or any other key characteristic based on their expertise, knowledge and lessons learned from similar products.

Required written approvals and PPAP resubmissions are required for:

- Changes to previously approved materials or sub-Supplier’s material changes
- Changes or modification of product specifications.
- Changes to process or method of manufacture
- Changes to the inspection process, methods or equipment.
- Change of sub-suppliers.
- Changes to any inputs supplied by your tiers.
- New start-up after a 12-month decommissioning period
- Transfer of manufacturing location
- Rework processes whether in process or off line.

Suppliers must attached a label (to be printed on an 8x11 sheet of paper) and placed on 2 sides of every container/box, when there is a new part number assigned or Engineering Change to the supplier part.

This must be done for the first 3 shipments delivered to Axiom plants, verified and approved before Supplier can be removed from this process.

The Supplier shall be held liable for any cost incurred by the changes made without obtaining a written supplemental Purchase Order or an approved Design or Process Concession. The Suppliers will not be paid for product, tooling, processing equipment, etc. until the change is approved.

The Supplier must notify Axiom Purchasing if there is a change in program timing and risk to meeting agreed upon tooling completion or PPAP date. Supplier will be required to add additional resources and/or work additional hours (7 days, 24 hours) to ensure date is met.

The Supplier must allow Axiom to review product and process development and planning via on-
site review and confirmation during development or at any time during part production, if requested.

For changes initiated by Axiom or our customers, the Axiom purchasing department will be the point of contact for formal notification to Suppliers of all drawing/design changes via a purchase order amendment.

Safe Launch Process: It is the supplier’s responsibility to ensure all production processes are launched in such a manner that they will not adversely impact Axiom or its customer’s production processes to meet timing and quantity. The use of Safe Launch tools such as pre-production product flow diagrams and control plan are a minimum requirement.

Documentation must reflect the specific information (i.e. part/drawing numbers, part/drawing revisions, supplier code, etc.). A copy of the part drawing or design record (matching the latest revision requested) must be submitted or available for review. This drawing must be ballooned, that is, all dimensions, specifications, notes, etc. must be labeled or numbered in an orderly fashion and correspond to the Dimensional/Material/Performance Results. When the design records are in electronic format, the supplier shall submit this information in place of the normal “paper” drawing. This includes all notes and specification pages.

Supplier must verify compliance to all drawing requirements. This includes all dimensions, tolerances, notes, material/performance specifications, etc. The correct way to do this is to number (or label) all print requirements and then correlate the numbers to the actual data (dimensional or material/performance data) that proves compliance. This must be completed for each unique cavity, tool, machine, production line/process, mold, etc. For new parts or tooling, the supplier shall perform a full dimensional layout on at least one (1) part from each cavity if multiple cavity tooling exists. For changed parts or tooling, the supplier shall perform a dimensional layout on at least one (1) part and/or parts from all cavities of all dimensions affected by changes.

Any authorized engineering changes that have not been recorded in the design record but incorporated in the product, part, or tooling must be included. If specified by Axiom, the supplier shall have evidence of engineering approval.

4.8- Non-Conforming Product
When non-conforming product is found in an Axiom facility a Supplier Non Confirmation will be issued to the Supplier.

Axiom requires the Supplier to notify us as soon as non-conforming product is found and if potential similar conditions may exist with product in transit or already at the Axiom manufacturing plant location.

When Axiom finds supplied product to be non-conforming, the product will be tagged, segregated and the Supplier will be notified for immediate action to be taken by replacing product with certified material, and/or providing on site sort requirements.

In the event that non-conforming material received by Axiom, the Supplier is required to take immediate containment action in less than 24 hours to isolate Axiom from further delivery of defective material. The supplier must provide an 8D for all issued supplier nonconformance.

Costs incurred by Axiom due to poor product quality, non-conforming product, and
delivery not meeting contractual requirements may be charged back to Supplier.

Axiom expects all Suppliers to deliver material ready for use without the need for incoming inspection. Suppliers are also required to perform annual validation and layouts to ensure product meets all quality, functional and appearance guidelines.

The Supplier is required to account for and document the disposition of all non-conforming material, Axiom at its sole discretion, may request formal confirmation/photos of the disposal and/or scrapping of non-conforming or obsolete material.

4.9- Corrective Action
When corrective actions are required, they will be addressed in the following manner:

- A containment response is expected within 24 hrs.; a root cause analysis and a permanent action plan is expected within 7 calendar days; closure of the 8D is expected within 14 calendar days
- PFMEA’s and Control Plans must be updated to reflect the corrective actions taken.

4.10- Quality Rejection Costs
The following charges may be applied by the respective Axiom plant at the time of the occurrence of each quality rejection.

<table>
<thead>
<tr>
<th>Administration Charge</th>
<th>Minimum $500 and/or as per OEM charge to Axiom Plant.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part Cost</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Axiom Line Shut Down</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Customer Line Shut Down</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Charges From Our Customer</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Excess Transportation</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Travel and Accommodation Expenses</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Labor Costs</td>
<td>Actual Cost*$50.00 per hr. (Includes but not limited to, sorting, rework,</td>
</tr>
</tbody>
</table>

* All above in US dollars

4.11- Controlled Shipping
In the event of continued unacceptable quality or delivery performance, the Supplier will be notified of the necessity to institute controlled shipping on the product. There are two levels of controlled shipping,

Level 1 (CS1) - The Supplier is expected to:

- Identify the person responsible for the inspection activity
- Have an area separate and distinct from the manufacturing operations
- Conduct additional inspection and certification of all product identified by Axiom.
- Specify the identification of certification to be used on the product and containers.
- Report the type and quantity of defects found in the CS1 activity

Level 2 (CS2) – When Axiom experiences a reoccurrence of supply problems and action taken to date by the Supplier are insufficient to stop the flow of poor quality the Supplier will receive a
written notification spelling out details of the containment, a confirmation reply form will accompany the letter and a meeting with Supplier, Axiom plant, SQE, Axiom Purchasing Manager and/or Axiom Quality Manager to launch the activity.

- Identify the person responsible to the activity.
- Retain an independent third party to monitor, measure, inspect and identify all product identified by Axiom.
- Have an area separate and distinct from the manufacturing operations to conduct the agreed upon containment activity.
- Specify the identification of certification to be used on the product. Containers are to be labeled with a green tag that reads “Containment Process Complete”. Each tag must be initialed and dated by the person identified on the confirmation reply.
- Report the type and quantity of defects found in the CS2 activity.
- Maintain CS1 activities in addition to CS2.
- Exit criteria will be specified in the written notification.

Failure to comply with CS2 activities can result in Axiom, at our discretion, setting up CS2 at our facility and charging it back to the Supplier.

Supplier will be removed from controlled shipping when inspection data shows no defects found for a minimum of 30 days for the specified defect or concern. Axiom SQE personnel will review the data, issues, verify corrective action and a potential audit may occur.

4.12- Run @ Rate/Production Sign-Off

The Run @ Rate verifies the capacity and quality output of serial processes and ensures the supplier can support the required volumes, quality levels as required in the purchase order including fluctuations in schedule typical for the global automotive industry. The supplier shall provide the Run @ Rate results with the initial PPAP submission as specified in the level 3 requirements and in the format agreed upon with Axiom.

Axiom reserves the right to conduct on-site verification of the Run at Rate at any time during the life cycle of the product.

Any quality concerns identified during the Run @ Rate trials must be properly analyzed and corrective action implemented. The failure modes must be included in the PFMEA and the controls must be verified and recorded in the control plan.

4.13- Pre-Launch Control Plans

Supplier are expected to use pre-launch control plans to increase the level of quality controls applied during Ramp Up and Early Production stages of New Part Launch. A pre-launch Control Plan is defined by increased frequency, levels of inspection and increased controls during the early stages of production. The purpose is to protect Axiom Operations from problems until process controls can be refined and start-up problems can be identified and resolved. The level of controls within the Control Plan should be adjusted once the production process has been stabilized and process controls can be assured.

Suppliers may be required to implement a separate inspection activity at process start up that is independent of the inspections and controls required by the Control Plan. The purpose is to verify
the affectivity of the Control Plan and determine the capability of the production process. The application of this additional control may be required by the Axiom SQE for early production when a supplier’s performance indicates that current controls are not adequate to identify and address problems prior to reaching Axiom Operations. Shipments of products that have been through additional process controls should display prominent notification on each shipping unit.

Section 5.0 - Tooling, Equipment and Gauges

5.1- Axiom Tooling (Molds, Equipment, Gauges and or Other Items)
Suppliers contracted to design and manufacture tooling, equipment and gauges that are funded by Axiom are required to provide a detailed drawing of proposed tooling, equipment and gauge designs to Axiom for approval and sign-off prior to commencing work. Tooling and equipment designs shall adhere to the Axiom applicable standards that are referenced on the Purchase Order. Final tooling, equipment, and gauge detailed drawings must be supplied to Axiom in an electronic format such as IGES, Unigraphics, AutoCAD or other agreed upon format.

Axiom Supplier Quality may, at its discretion, require gauge correlation studies, boundary samples, and detailed measurement process instructions to assure comparable measurement results.

Supplier gauges must be capable of meeting the Measurement System Analysis (MSA) guideline in accordance with AIAG standards and be certified by an accredited body.

5.2- Identification of Axiom Owned Tooling
All Axiom Tooling that resides at the Supplier’s facility requires a signed Bailee clearly establishing ownership; the signed document showing Tool identification shall be forwarded to Axiom Purchasing Department and Operation prior to release of final payment.

The Supplier is responsible to protect and safeguard from damage all Axiom owned tooling, equipment and gauges. If the property is found to be lost, damaged or otherwise found to be unsuitable for use the Supplier shall immediately report this to Axiom purchasing team.

All tooling and equipment owned by Axiom shall be permanently marked so that the ownership of each item is visible and can readily be determined.

The Supplier must have documented process and schedules for Preventive Maintenance. The maintenance schedule must include all Axiom or Axiom customers owned equipment and tooling. Supplier is responsible for identifying and stocking critical spare parts.

5.3- Tooling/Equipment Design Approval
Suppliers must provide Axiom with basic “concept” designs at the time of quote. More detailed designs must be provided and approved by Axiom prior to start of tool or equipment build. In some cases such as for production tooling that information may be required in the form of math data or CAD. Designs must take into consideration the expected life of the program, the expected service requirements if applicable and must ensure the quality of product produced or qualified with these tools, fixtures, gauges, equipment or other devices throughout the life cycle.

5.4- Tool/Equipment Layout
Suppliers must provide evidence the tooling/equipment they are providing or using to provide
product meets all specifications and technical requirements for Axiom. This will typically require layout/measurement of the tooling/equipment as well as layout of the product produced. The criteria for this must be part of the supplier plan and must be approved by Axiom.

5.5- Trial Runs
Trial runs are common and often required to validate/verify tooling and equipment. Axiom will typically define those requirements as part of the RFQ and/or statement of work. In the event Axiom does not call out this requirement then the supplier must propose the trial run plan and successfully pass the trials prior to acceptance by Axiom.

5.6- Spare Parts
Must provide a list of recommended spare parts and in the cases where these parts are not “shelf items” options for how to obtain those parts if needed.

5.7- Tooling and Equipment Timelines
Supplier to provide a timing plan to Project Managers with appropriate level of planning in a structured method, to define and establish the steps necessary to ensure that a product/process satisfies Axiom and is meeting the timing requirement as established on Purchase Order issuance.

Section 6.0 - Materials Management

6.1- Planning Schedules
Products may be ordered by issuance of a Spot Buy for a specific quantity or through a Blanket Purchase Order supported by Release Schedules.

Suppliers who have been issued an Axiom Blanket Purchase Order will receive Biweekly Release Schedules

Releases will be communicated through e-mail or Electronic Data Interchange (EDI). If the release is not received, it is the Supplier’s responsibility to notify their designated Axiom Material Representative.

6.2- Quantities and Timing
Deliveries are to be made both in the quantities and at the times specified in Axiom’s Planning Schedules or as authorized in writing by the designated Axiom Material Representative.

All dates specified on the release are arrival dates at our dock.

Time is of the essence. Suppliers who are unable to meet all requirements from Axiom for the specified delivery date, quantity, and quality MUST notify Axiom’s Material representative immediately (no later than 24 hours prior to the designated delivery date). Note that this communication does not alleviate the Supplier of any of the related costs and penalties associated with being past due or shipping defective material. During such delays, Axiom may, at its option, buy the goods from other sources and reduce its schedules to Suppliers by such quantities without liability to Axiom.

Any excess costs resulting from unauthorized multiple shipments, past due requirements and/or unauthorized truck lines will be debited in full from Supplier’s account.
6.3- Documentation
Products shall not be considered received until Axiom receives all required documentation. Axiom reserves the right to reject and return such products, at the Supplier’s sole expense if documentation is not properly executed.

6.4- Cumulative Material and Forecasting
Axiom’s maximum liability or exposure is limited to Firm and Material authorization releases. Axiom is not responsible for any raw material, work-in-process and/or finished goods in excess of the times stated above unless prior approval has been negotiated. Quantities on the release schedule under forecast are for planning purposes only. In the event that additional lead-time is required, the Supplier must obtain prior written approval from Axiom Purchasing.

Forecast information will be supplied to Suppliers through rolling 12-week production releases. Forecast information is provided as an indication of the requirements of Axiom, but is not considered binding except as provided in paragraph above.

In order to support changes in production rates, replace failed or damaged product and emergency requirements, Supplier shall establish procedures and maintain adequate product to support Axiom’s production requirements for 100% on-time delivery. As a minimum, such procedures shall be capable of supporting a 20% volume increase in production within 24 hours of notification.

6.5- Packaging Requirement
Packaging will be designed to ensure that the integrity of the product is maintained throughout the supply chain.

Returnable containers are the preferred packaging method if total cost is justified. The containers are to be controlled and returned to the Supplier for reuse.

“Returnable” pertains to Supplier owned or Axiom owned containers such as plastic or metal bins, racks, pallets, trays, separators, and/or loose components.

Note: Cleanliness and maintenance are a requirement to ensure no part damage in transit.

All returnable containers and internal dunnage must be pre-approved by Axiom. Packaging proposals by the Supplier must be submitted to Axiom Purchasing for approval and signed-off prior to implementation.

All products shipped to Axiom plants shall be clean and free from contamination. Any cleaning chemical, preservative, or lubricant shall be reviewed and approved for use on Axiom parts by Axiom Engineering.

It is the Supplier’s responsibility to remove all old labels from returnable containers.

6.6- Notification of Shipments
An Advance Shipping Notification (ASN) must be sent to the Axiom materials representative within 59 minutes of shipment leaving the Supplier’s facility.
In the event of a known shortage or late shipment, the Supplier shall immediately contact the Axiom’s materials representative to notify them of the situation. The Supplier shall also indicate the anticipated time of delivery of expedited material.

Suppliers shall immediately notify Axiom of any circumstances that it anticipates may cause a delivery delay, quality concern or otherwise impact the Supplier’s performance of its contractual obligations. The notification should include information on the estimated period of delay, the reasons and what is being done to rectify the situation. If requested by Axiom the Supplier shall, at Suppliers risk and expense use additional effort, including premium freight such as airfreight or other expedited routing to avoid or minimize delay to the maximum extent possible.

6.7- Identification Labels
It is an Axiom requirement that all inbound shipments be labeled in accordance to AIAG’s B10 label (detailed information on this label is available on the AIAG website).

All containers shall have a Production / Service Bar Code Label, affixed to the upper right hand corner of at least two adjacent sides. If the container is returnable, Suppliers shall ensure that old labels are removed and replaced with new ones.

Note: Label must be legible, scan able, and unobstructed from banding or other packaging materials.

All products received by Axiom must contain a serial number that is clearly identified on each label and every container. Suppliers can add date codes etc. within their allotted space.

“Mixed Load” labels shall be on all mixed pallet loads and clearly identified. In the event of a mixed pallet, every effort should be made to ensure that the smaller quantity part is loaded as the top layer of the pallet.

In addition, Supplier must follow all appropriate guidelines and rules relating to the country of receipt.

Material Safety Data Sheets (M.S.D.S.) must accompany all initial shipments.

The Supplier must provide verification of the composition of the material used and their individual components as well as aspects relating to the environment. Supplier must input the IMDS data into the system prior to delivery of the first samples or PPAP package.

Section 7.0 - Logistics

7.1- Transportation & Freight:
Suppliers must use specified transportation methods as indicated on Axiom’s purchase order and/or accompanying routing letter.

Axiom Purchasing and Logistics Department must approve any permanent changes to carrier or delivery frequency in writing or via e-mail notification.

All regular freight, payable by Axiom (F.O.B. Seller or agreed Inco terms) must be shipped in accordance with Axiom purchase order. Non-compliance to these routing instructions will result in debiting back to the Supplier all applicable extra shipping charges. Suppliers are expected to contact the approved carrier to set up pick-ups, unless otherwise advised.
Any Suppliers shipping goods F.O.B. Axiom or F.O.B. shipping point freight allowed are responsible for proper coordination of freight to meet Axiom’s required arrival dates.

7.2- Expedited Freight
All expedited freight (ground or air) payable by Axiom must be authorized in writing or e-mailed by Axiom buyer. All invoices for expedited freight must be accompanied with the written authorization to ensure payment. All excess transportation charges, which have been determined to be the Supplier’s responsibility, will result in a charge-back.

7.3- Quantities
Suppliers must ship parts in pack quantities equal to the material releases and may only ship on their assigned shipping date. Any deviation to this has to be pre-approved. All pick-ups for consolidated runs must adhere to shipping schedules without exception. Any delay in shipping to schedule must be communicated to Axiom immediately to avoid downtime issues. Excess freight incurred because of a missed or later pick-up will result in a charge-back to the Suppliers.

7.4 - Timeliness
It is critical to Axiom’s operation that shipments leave the Supplier’s facility and arrive at Axiom on time. Failure to deliver shipments as scheduled may result in charges for Axiom production downtime. Suppliers must notify Axiom immediately if the selected carrier does not pick up goods as scheduled.

7.5- Special Handling/Hazardous Material
Axiom must be notified prior to shipping any material that requires special handling or bracing or classified as hazardous material.

7.6- Quality/Timeliness Issues
If past due or defective material is deemed the fault of the Supplier, the Supplies shall bear the cost of all excess freight charges required to meet Axiom’s requirements.

It is Supplier’s responsibility to automatically expedite should the Suppliers foresee or incur a past due situation. The Supplier shall also be liable for all costs associated with downtime of Axiom and/or downtime costs billed to Axiom by its customer.

7.7- Documentation
The following requirements shall be met:

- A packing slip, and bill of lading shall accompany all product received with a copy of the packing slip affixed visibly on shipment.
- Except damage caused by a vehicle accident in transit, packing and packaging shall be sufficiently robust to protect products from shipping and handling damage, regardless of FOB point agreed.
- A correct bar-code label shall be attached to each package.
- Proper BOL must be used and completed correctly.

7.8- Customs Documentation
All material shipping cross borders must have “Country of Origin” and “HS Tariff Classification” clearly marked on the commercial invoice along with a written description and value in currency of
transaction.

Suppliers are responsible for accurate completion of customs documents and ensuring all documents are given to carrier at time of shipment for proper clearance through Axiom’s dedicated broker. Any delays in Customs and/or penalties for incomplete or inaccurate information will be the responsibility of the Supplier.

All charges resulting from the export and return of defective product shall be the responsibility of the Supplier.

All Suppliers are obligated to annually provide Axiom with all the appropriate Certificates of Origin (COO) to satisfy USMCA and origin requirements along with a Manufacturer’s Affidavit.

These are to be sent to Axiom purchasing department before December 31st of the current year for the upcoming year. Failure to comply will affect your Supplier Quality Rating.

Suppliers will be responsible for any costs or penalties relating to Suppliers failing to provide certification or providing fraudulent certification.

7.9- Customs Trade Partnership against Terrorism (C-TPAT), Partners in Protection (PIP)

It is an expectation of Axiom that all Suppliers have or work towards achieving C-TPAT and/or PIP certification. As part of this requirement we ask that all suppliers fill out the attached form, Supplier C-TPAT Questionnaire and return within 14 days of receipt. All forms are to be returned to

Section 8.0 - Additional Requirements

8.1- Access

The Supplier shall allow Axiom and their customers’ representatives all reasonable access to their premises to:

- Conduct audits as may be necessary to confirm that the quality management system is performing as described in their manual.
- Confirm that product and subcontracted product or services conforms to specified requirements.
- Confirm the ability to sustain the declared production capacity.
- Verify the actions taken following a corrective action.

When circumstance allows, the Axiom Supplier Quality Engineer will notify the Suppliers in advance of planned visits.

8.2 - Capacity Improvements

As part of the Supplier’s continuous improvement system Axiom expects Suppliers to submit annually evidence of process capability improvements to the attention of the Quality Manager at the respective Axiom facility.

8.3 - Confidentiality

All information as it relates to, but not limited to design, engineering, specifications, manufacturing
process, manufacturing assembly techniques, production techniques, and commercial information will be deemed as confidential and will be treated as such unless prior written consent has been received by Axiom Group Inc.’s Management.

8.4- Axiom Group NDA

Where necessary, Axiom will issue a non-disclosure agreement when product / process development has been initiated.

8.5- Proprietary Rights

Axiom retains all rights, trade secrets, and intellectual property for the developments in which the company has made investments. These developments will remain the property of Axiom Group Inc. and will provide limited rights of use specific to contract requirements. Unauthorized use of the designs / processes developed by Axiom will be in breach of the agreement set forth.

8.6- Non-Solicitation

Without the prior written consent of the either Party, neither Party shall, during the term of the agreement/contract or 12 months thereafter, hire any current or former employee of the other Party.

8.7- Cost Reduction

Suppliers to Axiom are expected to achieve a 3% minimum cost reduction annually and will be rated on their participation in this program. Cost reduction plans shall be submitted to the Axiom buyer at the RFQ stage.

8.8- Customer Directed Parts

All requirements stated in this manual apply equally to Suppliers of customer directed parts.

8.9- Transparency

Full transparency and accuracy is expected to be practiced by all Suppliers and their representatives when providing Axiom with information, information could be in the form of documents, sample parts, quality data, tooling data, processing data, run at rates and audit results.

8.10- Supplier’s Competitiveness

Suppliers agree to support Axiom in any joint effort with respect to cost reductions required by Axiom’s customer. Should the Supplier be unable to support Axiom’s requirement, Axiom reserves the right to competitively bid the products and or services to confirm market price and to award an agreement for those goods and services to the successful bidder. Any Supplier notice of any market movement price increase shall be provided 90 days prior to any increase to be implemented.

8.11- Warranty

Requirements for Warranty and Cost recovery are identified on Axiom PO Terms and Conditions. When Axiom receives a warranty claims that involves supplied product and is advised to the supplier, it becomes the responsibility of that Supplier to open a corrective action to document the investigation of the cause, testing results, root cause identification and corrective action taken.
The Supplier will be responsible for expenses related to their product that Axiom may incur in addressing the warranty claim.

8.12- Traceability
Supplier must ensure identification and traceability of products supplied. The identification may include labeling of packaged products, manufacturing location, manufacturing dates; shift, part identification, and sub-contractor traceability (i.e. heat treat, plating, etc. lot details, and traceability.)

Suppliers shall be able to directly correlate a raw material batch to the final product. Records of such shall be made available upon request. When Requested, Supplier shall affix a 2D Bar Code Label on all individually purchased, Axiom Components, and this label must be approved for use by Axiom prior to use. The Label must be permanently attached to the purchased component, and cannot interfere with the operation of this component or the finished assembly.

8.13- Training
Supplier employees must be competent and qualified for their job function. The supplier must ensure this through appropriate internal and external training courses. A training record must be available for all employees producing a product or service for Axiom.

8.14- Contingency Plan
The supplier must submit a recovery/contingency plan for any quality, delivery, loss, or spill that could affect production flow of material into any Axiom assembly facility or any service for Axiom.

8.15- Conflict Minerals Compliance
All Axiom suppliers shall report their potential Conflict Minerals as per AIAG guidelines. If sent by Axiom we require return or inputting within 14 days of receipt. Suppliers in all regions shall be able to verify that the tin, tantalum, tungsten, and gold (3TG) contained within products sold to Axiom did not originate within the Democratic Republic of the Congo, OR be able to determine the exact smelters locations where the tin, tantalum, tungsten, and gold originated within the Democratic Republic of the Congo. Suppliers are to refer to AIAG for more information and details (www.aiag.org).

8.16- Record Retention
Suppliers are expected to maintain applicable record retention periods as specified in ISO/TS 16949 latest edition standard, or as defined by your procuring division. The length of retention is defined by the OEM Customer Specific Requirement Guidelines and/or all legal or governmental requirements, whichever is longer.

8.17- Annual Re-Validation and Re-Certification
Unless waived in writing by Axiom, the supplier shall inspect and test annually a sample of each active product supplied to assure conformance to all Axiom specified requirements (e.g. dimensional layout (all characteristics on the current print), performance testing, and material). Suppliers are expected to maintain the same process and quality levels approved during the original PPAP Submission throughout the life cycle of the product. These inspection requirements shall be included in the supplier’s production control plan. Material testing shall be carried out by a
qualified Third Party Laboratory. Annual validation documentation shall be on file at the supplier and available to Axiom within 24 hours upon request. If a nonconformance is found during the annual validation, the supplier shall notify the Axiom plant quality department immediately so that appropriate action can be determined and implemented.

Whenever Axiom is required to submit PPAP to their customer, supplier with PPAP documentation over one year old may be required to re-PPAP as directed by the Axiom receiving site Quality department.

Example of the Level of Evidence Axiom Group might request:

Level 1 – Warrant Only
Level 4 – Warrant and other documents as defined by Axiom Group
Level 3 – Full Submission

Any cost involved in testing for annual re-validation and re-certification is the responsibility of the Supplier and cannot be charged to Axiom.

8.17- Obsolescence
Suppliers are expected to build and deliver product adhering fully to material releases and scheduling requirements provided by Axiom. Any obsolescence resulting from a supplier not adhering to the releases and schedules is the responsibility of the supplier including any associated costs. For obsolescence that occurs due to other measures beyond the control of the supplier; claims and supporting evidence and information must be presented to the Axiom Group plant materials department. Axiom Group will only allow up to 4 weeks for domestic sources and 8 weeks for offshore. All claim material may be audited and must be held in safe storage until the claim is settled. Any claims submitted after 180 days will not be reviewed.

8.18- Service and Replacement Part Requirements
Except as otherwise expressly agreed in writing, for a period of ten (10) years after a vehicle design or specific part concludes production, Seller will supply Buyer’s service part orders for the same Supplies, component parts and materials at the price(s) set forth in the Purchase Order.

8.19- Communication
It is critical that the relationship between Axiom and our suppliers be premised on open, effective and proactive communication. The occurrence of non-conforming product, unauthorized changes or any related supply chain issues, present a risk to both Axiom and to Axiom’s customer(s), when not communicated and managed effectively. These risks also manifest themselves at the sub-tier suppliers and sub-contractors that comprise the overall supply chain.

- Any pending or potential issue which the supplier has identified.
- Any pending product safety or critical characteristics.
- Any potential manufacturing/quality issues.
- Any potential supply and/or capacity issues.
• Information Technology (IT) or supporting system changes that might impact production or shipment of product to Axiom.

Suppliers will support all tests, validations, approvals and submissions required as a result of product or process changes, as directed by Axiom. Suppliers cannot charge for samples or testing resulting from supplier related or requested changes, unless approved by Axiom.

Suppliers must be proactive in their communication with their Axiom customers. Failure to notify Axiom of potential issues or changes will result in internal elevation, as appropriate, and may result in notification of the issue to Axiom’s customers. If necessary, a supplier’s ISO/IATF Registrar will be contacted and asked to conduct any necessary investigations or assessments. Continued non-compliance may lead to loss of business.

Section 9.0 - Commodity Specific Requirements

9.1- Plastic Injection Tooling, Gauge and Fixture Technical Standards
Axiom Group has provided suppliers with technical standards to be adhered to for any build and references our expectations relating to topics such as design and build standards for injection molded tooling, Gauges and Fixtures as a minimum. Please also refer to OEM Guidelines. A copy of these standards will be sent with the quote package.

9.2- Regrind and Processing Aides
Suppliers are required to adhere to regrind limits as defined on the drawing or in the appropriate material specification. The percentage of regrind shall be verified by appropriate validation testing and approved during PPAP. The supplier shall have a formal procedure defining the policy/process for controlling regrind used in product supplied to Axiom. Documentation shall include any blending, size of material granules if required and will be by lot. Use of lubricants, oils, mold release agents or any other contaminants is prohibited unless approved in writing by Axiom or specifically identified on Axiom or customer drawings or specifications.

9.3- Raw Materials/Resins
Suppliers shall verify each batch of incoming raw material for correct material, quality and cleanliness of the material and verification of physical properties. On site testing is the preferred method of verification; however, formal material certifications provided by raw material suppliers may also be utilized. All records of compliance must be maintained in a file and available for review at the request of Axiom or our customers. Certificates must include actual test data and results and not blanket statements of compliance. Raw materials must be stored in containers and an environment to ensure the product is protected until use. Suppliers should mark on any container the expiry date of the material if it has a shelf life.

9.4- Steel and other Metals
Suppliers shall verify each batch of incoming raw material for correct material, quality and cleanliness of the material and verification of physical properties. On site testing is the preferred method of verification; however, formal material certifications provided by raw material suppliers may also be utilized. All records of compliance must be maintained in a file and available for review at the request of Axiom or our customers. Certificates must include actual test data and
results and not blanket statements of compliance. Raw materials must be stored in containers and an environment to ensure the product is protected until use.

**9.5- Chemicals/Coatings**
Suppliers must provide written evidence that all chemicals/coatings and the processes used to apply them fully meet the requirements and specifications called out on the drawing or material specification. Suppliers are responsible to provide test data and results for any/all applicable standards or specifications as required. It is the supplier’s responsibility to ensure any/all chemicals and coatings applied to finished components are properly reported in IMDS and fully comply with these regulations and comply with the Conflict Minerals Guidelines.

**9.6- Fasteners**
Axiom Group requires fastener manufacturers to comply with the Fastener Quality Act which requires suppliers to document and keep all records on fastener quality. This includes the identification, characteristics, properties, mechanical marks, chemistry and strength. This information must be available by lot and available for review by Axiom and our customers upon request. In addition, it is the responsibility of the supplier to ensure any/all coatings and materials used to manufacture or treat these fasteners comply with governmental and other regulations such as IMDS and comply with the Conflict Minerals Guidelines.

**Section 10 – PO Terms and Conditions**

**10.1 Prototype Parts Terms and Conditions**

**Approval Requirements**
- Level II PPAP with 100% dimensional inspection

**Tooling Terms**
- 100% payment - Net 45 days after PPAP approval

**Prototype Parts Terms**
- Net 45 days after delivery

**10.2 Production Parts Terms and Conditions**

**Approval Requirements**
- Level III PPAP for initial submission
- Level II PPAP for annual validation including Customer Specific Requirement and CQI’s
- Level III PPAP every 3 years for material requalification (In case that applies or a customer request)

**Tooling Payment Terms**
- 100% payment - Net 60-90 days after PPAP approval

**Production Parts Payment Terms**
- Net 60-90 days after delivery

**Gauges/Fixture/Automation**
- Net 90 days after delivery
- Major Capital Purchase Terms will be defined based on the project

Detailed PO Terms and Conditions are available on the website. [PO Terms and Conditions_Axiom Group Inc..pdf]