

Universal Instruments Supplier Manual

Month, Day 2021

Version x

About Universal: We are the creators of the technology that drives the electronics manufacturing industry. We build the World's best advanced automation and assembly equipment; enabling some of today's high-tech electronic products.



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1. Universal's Core Beliefs

- 1.1 **Respect for Each Other.** Universal Instruments Corporation (Universal) must operate in a climate of openness, trust and cooperation, in which each of us freely grants others the same respect and decency we seek for ourselves. We expect open, honest, and timely communication. As a global company, we invite and embrace the diversity of all our people and Partners
- 1.2 **Power of Collaboration.** Universal and our Partners are both a community of entrepreneurial businesses and a single enterprise. Our goal is to preserve the freedom each of us needs to find personal satisfaction while building a strong business that comes from unity of purpose. True unity is more than a melding of self-interests: it results when goals and values are shared
- 1.3 **Passion for Excellence.** Universal chooses to be a leader—in serving our Customers, advancing our technologies, and rewarding all who invest in us. To sustain our leadership, we relentlessly seek to improve our performance. We bring urgency to every business challenge and opportunity. We anticipate change and shape it to our purpose. We encourage new ideas that challenge the status quo, and we seek to involve every mind in the growth of our business
- 1.4 **Personal Integrity.** We at Universal demand uncompromising ethical standards in all we do and say. We are committed to doing what is right—in good times and in bad. We are accountable for the commitments we make. We are, above all, an honorable company of honorable people
- 1.5 **Responsibility to Our Communities.** Universal is committed to good corporate citizenship. We strive to supply goods and services of superior value to our Customers; to create jobs that provide meaning for those who do them; and to contribute generously of our talents and our wealth in the communities in which we do business.

2. Quality Policy Principles

- 2.1 Quality driven management and employee dedication are keys to success and Customer satisfaction. Universal is committed to building products that are sound and dependable. We will improve our business continuously in quality, cost, and reliability. We will consistently provide products and services which meet or exceed Customer expectations, and satisfy Customers by anticipating their requirements
- 2.2 Universal seeks to achieve and maintain a reputation of excellence throughout the communities it serves. To achieve this, dedication to quality in everything the Company does will be a top priority of all of our employees and Suppliers. We believe that success will come only through continuous renewal. Quality is at the very core of our Product Leadership culture. All Universal employees are therefore, committed to CQC (Customer Satisfaction, Quality Product, Continuous Improvement).

3. Goals & Scope

3.1 **We need Suppliers who are capable of providing best-in-class quality and services.** Before presenting the following guidelines, we want to provide the general principles that drive this program to make sure that each Supplier's decision to participate is made with a complete knowledge of our objectives, of the procedures used, and what is expected of all Supplier companies.

3.2 Goal

3.2.1 The purpose of this manual is to provide Universal Suppliers and Universal Employees guidance as to our Commercial, Quality, Delivery, Technology and Business expectations.

3.2.2 The demand for improved product quality and reduced cost is widely recognized as the primary challenge facing our industry and directly driven by our Customers. Universal has historically been committed to producing the highest quality product possible. Our policy is to meet and strive to exceed Customer requirements with the standard of measurement being zero defects. This manual details the procedures and systems of this quality approach, the basis of which is defect prevention and continuous improvement. Universal is committed to this approach, and we expect the same commitment from our Suppliers. It is important that Universal's supply base develops our same enthusiasm for excellence and displays the willingness to work toward the common goals outlined in this manual. With this in mind, Universal has created this common Supplier Manual applicable for all Universal locations supporting the following points:

- Communicate to the Supplier Universal's expectations, goals and minimum requirements to assure quality of supplied parts.
- Encourage open and free communication of ideas, information and notification of problems among Suppliers, Universal and its Customers in the spirit of teamwork and cooperation.
- Develop an overall plan to ensure smooth production start-up and ramp-up both at Universal and the Supplier, based on effective planning and communication.
- Define the quality assurance procedures and documents Suppliers must follow to assure application of an effective quality management system based on ISO 9001:2015.

3.3 Scope

3.3.1 This Supplier Manual applies to all production material Suppliers and service part Suppliers that supply product to any of the production facilities or distribution warehouses of Universal Instruments Corporation. These procedures may be applied to other parts, materials, and services (such as consumable tools and supplies, indirect material, capital equipment, non-production services and suppliers of temporary workforce employment). The applicability of these procedures to tools and supplies will be indicated on purchase orders.

3.4 Responsibilities

3.4.1 All production material Suppliers and service part Suppliers must maintain a comprehensive Quality Management System to ensure compliance with the requirements of the contract and this document. This manual explains Universal's minimum expectations as well as the processes Universal follows to assess the capability and performance of each Supplier. Universal seeks Suppliers who have a minimum of ISO 9001:2015 certification.

3.4.2 All production material Suppliers and service part Suppliers must inform Universal if another customer places that Supplier on a special status regarding quality and/or delivery. Such a status could be controlled shipping, customer shutdown due to a supply issue, or a field action.

Supplier Code of Conduct & Sustainability

3.5 Code of Conduct

3.5.1 Supplier Code of Conduct. The Universal Beliefs serve as a guide for our employees on the way we conduct our business—with our Customers, our employees, our Suppliers and our communities. These beliefs, which are deeply rooted in our culture, also serve as a framework for the standards of business conduct we expect of any Supplier that does business with us. Compliance with these standards will be a mandatory component of our purchase contracts worldwide and must also apply to subcontractors.

3.5.2 Respect for Each Other. Universal operates in a climate of respect, courtesy and impartiality. The same fairness and impartiality should be extended to all legitimate Suppliers who wish to compete for Universal business. We expect open, honest and timely communication. Universal Suppliers should encourage a positive and diverse workplace by not tolerating harassment or discrimination, including that involving race, color, religion, gender, age or disability.

3.5.3 Power of Collaboration. Successful business relationships are the result of mutual goals and values. We encourage differentiating technologies that challenge the status quo and help support Universal's product leadership model. We view every Supplier relationship as an opportunity to extend our enterprise and grow our business. Information given to us must be accurate, and when requested, we will treat as confidential, information so designated. Universal respects the intellectual property rights of others, including but not limited to patents, trademarks, copyrights, manufacturing methods, fixturing, and product designs, and safeguards third party confidential and proprietary information and expects its Suppliers to do the same. Any transfer or sharing of technology or know-how must be done in a manner that protects a party's intellectual property rights and is in compliance with local and international laws concerning data privacy and security. Universal will view violations of such rights very seriously.

3.5.4 Passion for Excellence. Universal seeks to be a leader—in serving our Customers, advancing our technologies, and rewarding all who invest in us. To extend our competitive position, we expect our Suppliers to relentlessly improve their own performance and to bring urgency to every business challenge and opportunity.

3.5.5 Personal Integrity. We at Universal demand uncompromising ethical standards in all we do and say—we expect our Suppliers to do the same. Our policies prohibit the acceptance of gifts, services or anything of such value that the good judgment of the recipient might be influenced, or that a third party might reasonably perceive as influencing that judgment. Payments of money, property, or services for the purpose of obtaining business or special consideration are prohibited. If a Universal employee solicits a gift or entertainment opportunity from a Supplier for their personal use, the request is to be declined. We discourage our employees from purchasing goods or services from Universal Suppliers for their personal use, even though paid for by the employee.

3.5.5.1 Universal recognizes that in some cultures, business gifts and business entertainment are considered an important part of the development of business relationships. Any gift or entertainment must be evaluated to ensure it is in the best interest of Universal, consistent with Universal policies and the law, and in accordance with local custom.

3.5.5.2 No listing of ethical guidelines can be considered complete. It is incumbent upon those affected by this policy to avoid the misconception that if it is legal, it is ethical. Appropriate conduct must reflect good judgment, fairness and high standards.

3.5.6 **Responsibility to Our Communities.** We are committed to good corporate citizenship. We expect our Suppliers to abide by all applicable employment, environmental, health and safety laws and regulations. We will not allow the use of any forced, involuntary or child labor by Suppliers who provide goods or services to us. We also believe that Suppliers should provide wage and benefit levels to their employees that address the basic needs of people in light of local conditions.

3.5.7 **Adherence.** We expect your cooperation in ensuring adherence to our Supplier Code of Conduct. If you or anyone in your company believes that a Universal employee or other Supplier has violated this policy, please contact the Universal Instruments Corp. Compliance Office by e-mail to universal.compliance.office@uic.com.

3.6 Sustainability

3.6.1 **Shared Principle of Sustainability.** Universal is committed to environmental responsibility that leads to sustainability – a practice or process that meets today’s needs without compromising the ability of future generations to meet their own needs. We believe that this focus will benefit society, future generations and each of us as individuals, as well as contribute to our competitive advantage in the global marketplace. We expect our Suppliers and sub-suppliers to share these beliefs. Suppliers and sub-suppliers are required to be compliant with ISO-14001.

3.6.2 **Environmentally Responsible Products and Process.** To assure that our products and processes will provide the maximum benefit and least damage to the environment, we expect Universal Suppliers to:

- Develop and offer products that help contribute to improved energy efficiency.
- Evaluate and minimize the complete-life cycle environmental impact of your products and processes.
- Minimize waste generation.
- Lead in the conversion to environmentally friendly materials including the use of recycled and recyclable materials.
- Maximize the efficient use of resources such as water.
- Obtain energy from renewable sources and/or lower impact resources wherever practical to reduce greenhouse gasses.
- Strive for environmental leadership in regions in which you operate.

3.7 Basic Working Conditions General Principles

3.7.1 **Basic Working Conditions Guiding Principles.** Universal expects its Suppliers and sub-Suppliers to develop policies and practices for all of its facilities worldwide, to provide working conditions that are appropriate under applicable law and that support and uphold the Universal Beliefs.

3.7.2 **Use of Child Labor is prohibited.** Prohibits suppliers from employing any person below the age of 15 except as part of a government sponsored training or apprenticeship program.

3.7.3 **Forced Labor is prohibited.** Prohibits suppliers from using forced labor in any form and further prohibits physically abusive practices.

3.7.4 **Freedom of association.** Encourages open communication between management and employees regarding working conditions without fear of retaliation, intimidation, or harassment.

3.7.5 **Compensation.** Expects that suppliers' employees will receive compensation and benefits that are competitive and consistent with applicable laws regarding minimum wages, overtime hours and legally mandated benefits.

3.7.6 **Working Hours.** Expects suppliers to comply with applicable laws regulating hours of work.

3.7.7 **Equal Opportunity Employment.** Expects suppliers to have written policies promoting equal employment opportunities and formal, independent practices for responding to any complaints.

3.7.8 **Health and Safety.** Expects suppliers to promote safe and healthy work environments for all employees and expects commitment to continually improving the same.

3.7.9 **Adherence.** We encourage suppliers throughout our entire supply chain to adopt and enforce policies similar to those stated above. Universal seeks to identify and do business with organizations that conduct their business to standards that are consistent with those stated in 4.3:1-8. Universal personnel are expected to report any known or reported violations to Section 4.3 to their respective Vice President or Compliance Officer without fear of retaliation.

3.8 Anti-Bribery

3.8.1 Universal expects all Suppliers (production material, indirect material, and services) to comply with all laws and regulations applicable to its business, at all governmental levels worldwide.

3.8.2 The use of corporate funds, property or other resources for any unlawful or improper purpose is prohibited. Anti-corruption laws require that companies meet prescribed accounting and internal control standards and impose severe penalties on both companies and individuals for certain types of payments and practices. Universal Employees and our Suppliers may not give, promise or authorize any payments, either directly or indirectly to government officials in any country.

3.9 Responsible Business Alliance Code of Conduct

3.9.1 Suppliers to Universal Instruments are required to be in full compliance with the RBA Code of Conduct. You can view and download a copy of the RBA Code of Conduct at <http://www.responsiblebusiness.org/code-of-conduct/>.

4. Supplier Manual Access/Responsibilities

4.1 Universal's Responsibility

4.1.1 Provide Suppliers access to the latest released version of the Universal Supplier Manual.

4.1.2 Update this Supplier Manual as required and notify Suppliers.

4.1.3 Specific approach to access and notification to be determined by your Universal Instruments Supply Chain Management (SCM) representative.

4.2 Supplier's Responsibility

4.2.1 Ensure Supplier uses the current released version of the Universal Instruments Supplier Manual.

4.2.2 Provide training to their personnel regarding the location of the controlled version of the Universal Instruments Supplier Manual.

4.2.3 Suppliers must ensure that Universal has the correct Supplier contact information allowing notification of any changes.

4.3 Revisions

4.3.1 Any updates to the Supplier Manual will be provided to the Supplier as stated in the Universal Responsibility section above. Suppliers will be notified through electronic means of any changes to the manual.

4.3.2 Suppliers should never use an uncontrolled version of the Universal Supplier Manual. They should always reference the controlled copy.

5. Commercial Expectations

5.1 Purchasing Process

5.1.1 Supplier Agreement

5.1.1.1 Unless otherwise directed, Suppliers must sign and return the Non-Disclosure and Confidentiality Agreement to the appropriate Universal Supply Chain Management (SCM) Representative prior to being issued an invitation to quote.

5.1.1.2 Suppliers must sign and return all other agreements as requested.

5.1.2 Request For Quotation

5.1.2.1 Potential Suppliers will be invited to participate in the quoting process. Suppliers are required to provide detailed cost breakdowns. Failure to provide the detailed cost breakdown may result in a "no quote" status. (Contact your local Universal SCM Representative for further instructions.)

5.1.3 **Supplier Selection Criteria.** The following criteria can be used to award new business:

- Supplier's demonstrated performance in quality, delivery, and cost reduction [reference Supplier Balanced Scorecard and Approved Sourcing List (ASL) sections]
- Supplier Consolidated Risk Assessment
- Supplier's total cost competitiveness and commitment to continuous improvement
- Supplier's demonstrated technical capabilities, Engineering support of Universal programs, and Program Management of new product launches
- Supplier's overall financial condition
- Supplier's acknowledgement and acceptance of Universal's Purchase Order Terms and Conditions.
- Other elements, such as customer-directed spend, regional requirements, etc.
- Supplier's commitment to meet requirements mentioned in 9.1 of this supplier manual.

5.1.4 **Cost Breakdown Analysis.** As requested, Suppliers will supply detailed and accurate cost information in a format agreed upon.

5.1.5 **Purchase Orders.** Refer to the specific Universal purchase order terms and conditions.

5.1.6 **Purchasing Authorizations.** Only employees from Universal's SCM organization are authorized to commit monies to a Supplier. This commitment must be in the form of an authorized Purchase Order. This applies to all direct, indirect, service and prototype purchases as well as tooling, capital, design and development, etc. The appropriate purchasing representative responsible for the tooling purchase orders will communicate these requirements, where possible, on the tooling purchase orders themselves.

5.2 Continuous Improvement

5.2.1 **General.** Continuous Improvement is an essential element of long-term business success for Universal and for its Suppliers and is driven by UIC's customers. In order to remain competitive, Universal and its Suppliers must recognize the requirement to find effective ways to eliminate waste and reduce the cost of our products.

5.2.2 Expectation—Annual Improvement Factor

5.2.2.1 Universal expects all Suppliers to demonstrate a year-over-year cost reduction. We expect this to be directly reflected in the form of an Annual Improvement Factor (AIF) on all business. Cost reduction targets will be communicated to Suppliers from Universal Supply Chain Management.

5.2.2.2 All Suppliers are expected to constantly examine and optimize the entire cost structure of their business and the products supplied to Universal. This includes process improvements, cycle-time reduction, scrap reduction, die/tooling set-up reduction, design improvements, Sales, General and Administration (SG&A) reduction, fixed and variable overhead reduction, transportation, etc. In order to ensure proper review and validation of Suppliers' design and process improvement ideas, Suppliers must strictly comply with Universal's change management requirements for all design and process change proposals (*See Section 10 of this manual.*).

5.3 Service & Replacement

5.3.1 **Duration.** Suppliers are obligated to provide service component requirements for a minimum period of 10 years following the conclusion of series production or as otherwise stated in writing by Universal.

5.3.2 **Pricing.** In no event will replacement parts be made available to Universal at prices that are not competitive or exceed those charged to other comparable Customers of the Supplier.

5.4 **Terms & Conditions.** The Supplier must comply with the Universal Supplier Manual as well as the Terms and Conditions contained in the Universal Purchase Order. The Supplier will consult with the appropriate Universal Supplier Representative for clarification if needed.

5.5 **Warranty.** The Supplier will accept the warranty requirements specified in the Purchase Order Terms and Conditions and/or separate agreements. Additionally, Supplier will be responsible for all applicable warranty costs.

5.6 Invoicing

5.6.1 **General.** The Supplier will contact the Universal plant that will be receiving the product or service (Universal receiving plant) for invoicing requirements.

5.6.2 **Standard Invoicing Instructions.** The following information must be included on all production part invoices submitted to Universal:

- Original should be on original copy of invoice
- Duplicate should be on any additional copies submitted
- Each invoice must contain a unique invoice number (not repeated)
- Universal part number
- Universal purchase order number
- Quantity
- Unit and total price

- For International Shipments:
 - Country of origin “Manufacture”
 - Schedule B number
 - Export Control Classification Number (ECCN)

- Complete and detailed description of the merchandise
- Supplier will ensure that all information provided on all invoices and shipping/business documents and/or electronic data accurately reflects the physical goods in the shipment.

5.6.3 **Invoicing Consigned Inventory.** Consigned inventory may or may not require an invoice depending on the Universal purchase order and requirements from the Universal receiving plant. If an invoice is required, the Standard Invoicing Instructions (above) are required. If an invoice is not required, follow the information from the invoice-less Instructions (below) or specific instructions from the Universal receiving plant.

5.6.4 **Invoice-less Instructions.** If a Universal plant and purchase order indicate payment from evaluated receipts, the Supplier may not be required to submit an invoice with the shipment (unless required by local Customs authorities with respect to shipments of goods across international frontiers or borders or government regulations). Contact the Universal receiving plant for verification.

5.7 **Advertising and Public Communication.** Suppliers shall not, without prior written consent of the Universal Marketing department, in any manner advertise or publish its relationship with Universal Instruments or Universal’s customers, make any reference to the award of business or use any trademarks or trade names of Universal or any of its associated companies in any press release, advertising or promotional materials.

5.8 **Contingency plans.** The Supplier must prepare and maintain operations contingency plans to satisfy Universal and ISO 9001:2015 requirements in the event of an emergency such as utility interruptions, labor shortages, pandemic, key equipment failure, field returns, customs enforcement actions, supply chain disruption, etc.

6. Tooling and Gauging Policy

6.1 General

6.1.1 Universal will issue purchase orders for special tooling, including dies, jigs, fixtures, templates, inserts, molds, patterns, gauges, test equipment, etc. as agreed upon.

6.1.2 Universal reserves the right to immediately remove Universal-owned tools.

6.1.3 Suppliers must receive written authorization from Universal before:

- Moving or destroying tooling
- Altering tooling capacity
- Disposing of service parts tooling.
- Performing maintenance and tooling updates for wear, or establishing new tooling/new foundries.

6.1.4 Selling products made from Universal tooling to any other Customer is not allowed.

6.1.5 All Special Tooling owned by Universal must be identified (see Special Tooling below).

6.1.6 The Supplier is responsible to adhere to all legal safety requirements as applicable.

6.1.7 The Supplier is responsible for ensuring that its sub-Suppliers adhere to the above guidelines.

6.2 Definitions

6.2.1 **Special Tooling.** The following general (not all inclusive) guidelines provide characteristics that Universal typically considers regarding whether or not tooling and measurement devices are considered special tooling:

- Specifically designed for a Universal part or product with little or no other application
- Life and value is limited to the production and service life of the part(s) which they produce or measure
- Directly affect the part they measure or produce including part specific gauges, dies, fixtures, gear cutters, broaches, molds, jigs, etc.
- Can usually be re-located
- May be found between “bolster plates” of a machine or pieces of equipment (including dies, welding fixtures, sub plates, or automation handling devices) and are not part of the general equipment
- Unique computer software required to operate the tooling is considered part of tooling and is also the property of Universal.

6.2.2 Measurement Systems

6.2.2.1 Any gauges, fixtures, tools, test equipment, etc., required to measure the part/process.

6.2.2.2 Measurement Systems may be general in application and usable for many purposes.

6.2.3 **Parts.** Any purchased or manufactured component or assembly intended for further manufacture or resale.

6.3 Quotation & Design

- 6.3.1 Tooling Quotation.** The items in this section must be considered as part of a tooling quotation to Universal unless otherwise specified by Universal.
- 6.3.1.1 Tooling quotation must include expense breakdown, including fixtures, dies, gauging and other costs as well as tooling design (i.e., number of cavities, material, etc.).
 - 6.3.1.2 Capacity of the tool must be clearly defined on the quotation.
 - 6.3.1.2.1 Capacity will be calculated on a 5-day 2-shift basis unless otherwise directed by Universal.
 - 6.3.1.3 Tool life must be clearly defined on the quotation.
 - 6.3.1.4 Cavity replacement must be clearly defined on the quotation. This should be provided as a per part cost or as a cavity replacement cost.
 - 6.3.1.5 The quotation must specify lead-time breakdowns including design, build, testing and sample submission & approval.
 - 6.3.1.6 The Supplier is responsible for maintaining, repairing, refurbishing, & replacing tooling in production condition, and Universal will retain all title and ownership rights for said repaired, refurbished, or replaced tooling for the defined lifetime of the tool, unless otherwise agreed to in writing by Universal.
 - 6.3.1.7 The Supplier is responsible for disposing of the tooling at no cost when directed in writing by the appropriate Universal SCM representative.
 - 6.3.1.8 The Supplier will keep detailed maintenance records for the tooling. The Supplier will make these records available to Universal upon request.
 - 6.3.1.9 The Supplier will monitor the tool life and performance to ensure that repair, replacement and maintenance, whether or not the responsibility of the Supplier, are identified and corrected prior to the time that part quality or production capacity are affected. This will include regular dimensional reviews on specific part characteristics. Supplier agrees to make this data available to Universal upon request.
 - 6.3.1.10 The Supplier will on a regular basis monitor tool life and advise the Universal SCM representative well in advance when tooling replacement is necessary.
 - 6.3.1.11 The Supplier will ensure that sufficient quantities of components will be in Supplier's inventory and available to support Universal production prior to and during the time period that the tooling is being refurbished or replaced.

6.3.2 Tool Design

- 6.3.2.1 When tooling is designed by the Supplier, Universal must be provided with electronic and hard copies of the design (including both drawings and solid models in a format mutually agreed to) and all related drawings and specifications. Supplier, upon request from Universal, will provide reproducible tooling prints for any existing tools.
- 6.3.2.2 All designs must be based on the metric system unless otherwise agreed to in writing by Universal.

- 6.3.3 Tooling Run-off.** The Supplier must document tooling run-off quantities in the quotation.

6.3.4 Measurement System

6.3.4.1 Universal's expectation is that all Measurement System devices must be validated in accordance with agreed upon industry standards unless otherwise specified by Universal.

6.3.4.2 Gauge tolerances must be defined by SAE/DIN/ISO standards.

6.3.4.3 The Supplier is expected to maintain the integrity of the Measurement System and provide Gauge Repeatability & Reproducibility (R&R) reports at required intervals when requested by UIC.

6.4 Invoicing for Tooling

6.4.1 **Invoice Amount.** Supplier invoices should document expenditures for Universal-owned tooling (including a full cost breakdown). In addition, invoices must show the exact physical location by city, town, state or province, and country where the tools will be used in production. Supplier invoices for tooling should reflect the tooling order amount or the actual costs incurred, whichever is less. Any discrepancies should be brought to the attention of the Universal Buyer. The Measurement System Equipment invoice must include complete descriptions of each device. Note: Supplier must provide photographs of Universal-owned tooling with all tooling invoices.

6.4.2 **Payment Authorization.** Universal will authorize payment for tooling and Measurement System devices when First Article Inspection and all other applicable customer requirements (regarding tooling audit) are met, statistical studies are approved, and all photographs received, or as otherwise agreed upon with Universal.

6.4.3 **Bill of Sale.** Supplier will provide a bill of sale acknowledging payment and ownership of all Universal Tooling and Measurement systems.

6.5 Tooling Identification & Ownership

6.5.1 All tooling and materials which Universal furnishes either directly or indirectly to Supplier or which Universal buys from or gives reimbursement to Supplier in whole or in part (collectively, "Universal's Property") will be and remain the property of Universal and be held by Supplier on a bailment basis. Supplier will sign or authorize Universal to sign on its behalf any documents deemed reasonably necessary by Universal to be filed with Federal, State or Local officials to record Universal's title and interest in Universal's Property. Supplier will not sell, lend, rent, encumber, pledge, lease, transfer or otherwise dispose of Universal's Property. Furthermore, Supplier will not assert or permit any person claiming an interest through Supplier to assert any claims of ownership to or any other interest in Universal's Property.

6.5.2 The Supplier will clearly mark or tag tooling and/or dedicated measurement devices and associated materials, as appropriate, with "Property of Universal" and any UIC Tool Number that may have been provided by UIC.

6.5.3 The Supplier will permanently mark the tooling with the part number, which the tool is intended to produce.

6.5.4 In the event that directly marking the tool is not practical, an identifying mark will be made and a corresponding record will be maintained that defines the corresponding part number to the mark. This record will be maintained for the life of the program.

6.5.5 A descriptive breakdown of each of the various components that make up the tooling and/or measurement devices, the size and type of equipment the tooling is designed for, proof of expenditures, as well as photographic evidence of the completed tooling and/or measurement devices must be submitted to the appropriate SCM representative prior to First Article Sample Submission. Additional information may be required dependent on specific customer needs.

6.5.6 The tooling and/or measurement devices must be stored and handled in a manner to avoid damage and deterioration.

6.5.7 Any Supplier logo or other identifying mark placed in a tool/die that results in a Supplier logo on the end part is prohibited unless otherwise approved by Universal in writing.

7. Prototypes

7.1 **General.** In most programs prototypes are required to verify the design concepts. The requirements listed below apply to all Suppliers who have been issued a prototype purchase order.

7.2 **Submission Requirements.** The following items may be required with each prototype shipment. The specific details are to be defined by the purchasing location.

7.2.1 Prototype Submission Warrant

7.2.2 Universal Drawing

7.2.2.1 Include a copy of the approved Universal drawing supplied with the purchase order.

7.2.2.2 If the drawing is not pre-numbered by Universal, number the print to coincide with the dimensional report.

7.2.3 100% inspection to all print requirements and controls in accordance with ANSI Y14.5.

7.2.3.1 The sample(s) must be identified as required.

7.2.3.2 Part number and revision level must be listed on the print. If no revision level is listed, write "none."

7.2.3.3 The method of inspection (CMM, Calipers, Micro Height, etc.).

7.2.3.4 All dimensions MUST meet the print specification or have a written and signed deviation by Universal attached. Universal must approve the deviation prior to shipment of parts.

7.2.3.5 Out-of-specification dimensions must be clearly identified. The preferred method would be to highlight the dimension with a note "refer to attached deviation."

7.2.3.6 Any special requirements, details or deviations should be identified in the comments/remarks section.

7.2.4 Capability Studies as required

7.2.5 Material Certification as required

7.2.6 Gauge Analysis as required

7.2.7 The shipment of prototype parts may also require the submission of material test results and preliminary Failure Mode and Effects Analysis (FMEA), control plans, or any other item specified by the appropriate Universal representative.

7.3 Package Identification to be Defined by Receiving Location

7.4 Prototype Tooling. Unless otherwise specified by the Universal representative, the Supplier will retain the prototype tooling at their facility. All prototype tooling paid for by Universal is the property of Universal and will be marked accordingly. The Supplier will provide such tooling upon Universal's request.

8. Quality Requirements

8.1 General

8.1.1 Quality Management System. All Suppliers must comply with the Universal quality expectations defined in this section. Suppliers are fully responsible for the quality of their products. In order to ensure Zero Defects, an effective Quality Management System must be in place. Suppliers are expected to work in accordance with the requirements described in ISO 9001:2015. Latest certification(s) must be on file with Universal. These requirements are mandatory unless otherwise agreed to in writing by Universal. In some cases Universal will provide 2nd party certification through the annual Supplier audit process. In this case, Universal reserves the right to charge the Supplier for this certification. Suppliers are also responsible for assuring that their subcontractor's FAI submissions are approved and are under a controlled system of evaluation and review. These records must be made available for Universal examination when requested.

8.1.2 Plant-Specific Requirements. In addition to complying with the quality expectations defined in this section, Suppliers must also comply with the additional quality expectations, where applicable, of specific Universal locations.

8.1.3 Customer-Specific Requirements.

It is the responsibility for the supplier to pass down all applicable statutory and regulatory requirements as well as special product and process characteristics to their suppliers and require that the suppliers cascade all applicable requirements throughout the supply chain to the point of manufacture.

8.2 Supplier Assessments

8.2.1 New Suppliers. A Universal Supplier Representative will provide access to the Universal Supplier Manual and may request completion of the Universal Supplier Risk & Quality Systems self-assessment. This assessment includes quality systems and financial risk assessments. Universal may also complete an on-site Supplier Risk & Quality Systems Assessment. Once completed and submitted, Universal will determine whether the candidate Supplier has the required quality systems, technical core competencies, program management and financial stability to be awarded new business. Regional or customer-specific requirements may apply. In these cases Universal reserves the right to conduct additional investigations prior to business award.

8.2.2 Existing Suppliers. Depending on a risk analysis which includes safety and regulatory requirements, the Supplier Scorecard rating and the QMS certification level, Universal may conduct an on-site assessment. Once completed, Universal will determine whether the existing Supplier has the required quality systems, technical core competencies and financial stability to be awarded additional business.

8.3 First Article Inspection (FAI)

8.3.1 General. Suppliers must comply with the latest edition of ISO 9001 and with all requirements outlined in this Supplier Manual. In addition, certain Customer-specific requirements could apply.

8.3.2 FAI Submission Requirements

8.3.2.1 Unless specifically waived in writing by Universal, all Supplier FAI submissions must include all dimensions stated on the drawing(s) per the drawing's units, to the accuracy as stated in the drawings, Materials certifications, CoA (where required) or CoC and the FAI and Part

should be clearly marked so the parts Serial Number (or unique identifier) matches the FAI datasheet.

8.3.2.2 Prior to a Supplier submitting an FAI to Universal, all of their sub-Supplier FAI's must have been approved by the Supplier. Unless specifically waived in writing by Universal.

8.3.2.3 Suppliers must conform the UIC Paint and Finish Specifications, MAKE028 and MAKE383 where required.

8.3.3 Submission Disposition and Notification

8.3.3.1 There are three possible outcomes of a Supplier FAI Submission:

- **Full Approval** - Parts are fully approved for series production. The Universal Buyer will specify proper delivery and release requirements.
- **Interim Approval** - Parts are conditionally approved for a limited time or limited quantity. Note: In this case, a Supplier Corrective Action Request (SCAR) may be issued to the Supplier.
- **Rejected** - Parts may not be used for series production, and tooling purchase orders cannot be paid. Note: In this case, an SCAR may be issued against the Supplier.

8.3.3.2 The Universal Supplier Quality Engineer (SQE) will notify the Supplier in writing when their FAI submission has been approved or rejected. The documented format of notification will be a countersigned Part Submission Warrant (PSW).

8.3.3.3 In some cases, FAI approval requires validation testing and signatory approvals from Universal's Customer prior to notifying the Supplier.

8.3.4 Interim Approval

8.3.4.1 Suppliers must submit a completed Supplier Change Request (SCR) (SCM-F008) in cases where full FAI approval cannot be obtained. The reasons for this request may include, but are not limited to:

- Out of tolerance condition(s)
- Incomplete FAI submission requirements.
- If an Interim Approval is granted, a revised PSW must be re-submitted with appropriate FAI documentation before the Interim FAI expiration date. If an SCR is submitted with **an Interim FAI, both must expire on the same date.**

8.3.5 **FAI Requirements Waiver.** Suppliers must gain written approval from the appropriate Universal SQE when requesting any variation from the above stated requirements.

8.3.6 Regular Re-Qualification

8.3.6.1 To maintain validation that FAI documentation matches current process practices and capability, **Suppliers will agree to an annual FAI submission or as frequently as deemed necessary by Universal Supplier Quality Assurance for all Universal production parts / models or production raw materials.** Suppliers are required to have the appropriate requalification documentation available for submittal or review upon Universal's request.

8.3.6.2 Suppliers are required to obtain requalification documentation from **their** Sub-Suppliers for submittal or review upon Universal's request.

8.3.7 Shipping and Labeling Instructions. Unless otherwise directed by the appropriate Universal representative, Suppliers must affix “FAI SAMPLE PARTS” label below the shipping label as well as the other three sides of the container and ship separate from production parts shipments. Reference Universal site-specific requirements for further details.

8.4 Early Production Containment (EPC)

8.4.1 General. Unless otherwise directed, this procedure applies to all Suppliers to Universal. It is to be used for all pre-production and production requirements that require the First Article Inspection, and whenever mandated by Universal on any parts that present significant risk to a Universal plant. e.g., at annual shutdown, etc.

8.4.2 Definition and Purpose

8.4.2.1 The purpose of EPC is:

8.4.2.1.1 To reduce the risk to Universal and to protect the Supplier through increased detection.

8.4.2.1.2 To document Supplier efforts to gain control of its processes during start-up and launch so that any quality issues that may arise are quickly identified and corrected at the Supplier’s location and not at the Customer’s manufacturing location.

8.4.2.1.3 To increase involvement and visibility of the Supplier’s top management.

8.4.2.2 EPC requires a documented launch or pre-launch control plan that is a significant enhancement to the Supplier’s production control plan. This EPC Plan will raise the confidence level to ensure that all products shipped will meet Universal expectations. This is an extraordinary launch measure. The EPC Plan will also serve to validate the production control plan. The EPC Plan should take into consideration all known critical conditions of the part as well as potential areas of concern identified during the FAI process. EPC serves to proceduralize the Pre-Launch Control Plan. Note, this procedure does not provide authorization to ship nor is it a shipping schedule.

8.4.3 Supplier Responsibility

8.4.3.1 Establish a containment process that has the following elements:

8.4.3.1.1 Identification of the person responsible for the containment process.

8.4.3.1.2 Development of an EPC Plan consisting of additional controls, inspection audits and factors in the production process (set-up, machinery, fixture, tooling, operator, material/components, preventive maintenance, climate). Additional controls could include:

- Off-line, separate and independent check from the normal production process
- Increased frequency/sample size of receiving, process, and/or inspections
- Defined/coordinated sub-Supplier containment and/or sub-Supplier support/audits as required
- Increased verification of label accuracy
- Increased error proofing validation
- Increased involvement and visibility by top management, including increased Management Internal Audits
- Other items as specified by Universal or the Supplier.
- Prompt implementation of containment and corrective action if non-conformances are discovered.

8.4.3.2 Document the EPC Plan (including functional testing and error proofing if applicable) using the Control Plan format referenced in the Advanced Product Quality Planning and Control Plan Reference Manual. The development and documentation of the EPC Plan is expected to occur during the Advanced Product Quality Planning Process. The EPC Plan is not a substitute for the Production Control Plan but is over and above the Production Control Plan and is used to validate it.

8.4.3.3 To indicate compliance with the EPC requirements, Suppliers will attach to each shipment label a special marking as agreed to between the Supplier and Universal.

8.4.4 Universal Responsibility

8.4.4.1 The EPC quantity/timeframe will be agreed to with the Supplier and based on Universal's Customer requirement.

8.4.4.2 Universal will review and approve the EPC plan and communicate approval to Supplier.

8.4.5 **Exit Criteria.** Supplier will be eligible to self-exit Early Production Containment provided it meets the quantity/timeframe agreed to with no discrepancies found at Supplier or Universal. In the event the self-exit criteria has been met but the EPC plan continues to identify non-conformances, the EPC plan must be kept in place until process controls and capabilities have proven effective and the Production Control Plan is validated to Universal's satisfaction.

8.4.6 Consequences of Shipping Non-conforming Material

8.4.6.1 Failure to execute EPC may result in Controlled Shipping.

8.4.6.2 Shipment of discrepant material during the specified EPC period or any other time may result in Controlled Shipping.

8.5 Process Capability and Monitoring

8.5.1 Defined Part/Process Characteristics

8.5.1.1 In addition to certain Customer-Specific Requirements, certain characteristics will be deemed as important, and will require increased monitoring to ensure the quality of the parts. Those characteristics may be designated as special, significant, critical-to-function, high impact, major, or other based on specific Universal site requirements.

8.5.1.2 The appropriate Universal SQE will identify these specific requirements, or characteristics either by direct communication, specification, or product drawing.

8.5.2 Control of Above Defined Part/Process Characteristics

8.5.2.1 The Supplier is expected to use statistical techniques to maintain a state of control and to improve the process capability on defined part/process characteristics.

8.5.2.2 Unless otherwise specified by Universal, a minimum 1.67 Ppk index is required for designated characteristics at initial FAI sample submission. For ongoing series production, a minimum 1.33 Ppk index is required.

8.5.2.3 Suppliers must maintain the statistical data for all designated characteristics and must make the data available to Universal upon request. The Supplier may also be required to submit this data periodically to Universal when requested.

8.5.2.4 Unless otherwise specified by Universal, if the process does not meet the required capability target, the Supplier must supply a containment plan describing the 100% inspection method that prevents out of specification parts from being shipped to Universal, and a Corrective Action Plan for capability improvement.

8.5.2.5 Universal representative may designate additional requirements.

8.5.2.6 Lot traceability shall be maintained by the Supplier, unless otherwise specified by Universal (see Section “9.8 Traceability Requirements” for specific details).

8.5.2.7 Certificate Of Assurance (COA) are more **rigorous than a Certificate Of Conformance (CoC)** as they include data from **the physical measurements**. This means that each shipment includes data of the Critical To Function (CTF) as measured and recorded by the manufacturer. The CoA must include the following:

1. Supplier Name
2. Supplier manufacturing address
3. Date of the CoA
4. UIC Part number
5. Supplier Lot ID
6. Date of Manufacture
7. **CTF parameter and data**
8. **Authorized signature**

8.5.2.8 **Certification Of Conformance (COC). A document that is certified by the Supplier that the supplied goods or service meets the required specifications.**

8.5.3 **Special Process Requirements.** Universal may require suppliers with special processes to complete documented evidence for Universal and its customers. The goal of this standard is the development of a special process management system providing continuous improvement, defect prevention and reduction of variation and waste in the supply chain. Suppliers may be expected to perform annual self-assessments. Universal reserves the right to complete its own on-site assessment.

8.6 Quality Notification (QN) and Supplier Corrective Action Request (SCAR)

8.6.1 General

8.6.1.1 Universal will immediately notify the Supplier if non-conforming material is found. Upon verification that Universal has received non-conforming product from a Supplier, Universal will issue a Quality Notification (QN) to the Supplier.

8.6.1.2 Evidence of defect such as digital photos will be provided when possible. A sample of the defect may be sent to the Supplier upon request.

8.6.1.3 UIC will issue a Supplier Corrective Action Request (SCAR) in cases of, but not limited to, repeating defects, large batch failures, safety issues, failures at UIC Customer’s location, Supplier’s delivery issues; Universal will issue a SCAR to the Supplier regardless of the disposition and/or use of the non-conforming material and improper FAI sample submissions. Universal will apply only the number of non-conforming parts to the Parts per Million (PPM) calculation if containment actions are forwarded within 3 days and sort results are forwarded within 10 days. The Supplier will respond to the SCAR with an 8D report, see section 9.6.3 8-D Corrective and Preventive Action Reports.

8.6.1.4 Universal will not issue a SCAR and defective parts will not be counted toward the Supplier's PPM number, if the Supplier:

8.6.1.4.1 Requests and gets approval of a Supplier Change Request (SCM-F008) to cover 'out of print' conditions **prior** to shipping parts. See **Supplier Change Management** section for deviation request guidelines.

8.6.1.4.2 Notifies Universal of a potential quality concern prior to the concern being found by

Universal and removes or sorts the suspect material and replaces it with "certified" material.

8.6.2 Containment Actions. Upon receiving a SCAR from Universal, Suppliers are required to immediately sort 100% of their product, including product at the Universal plant(s), in transit, in warehouses, at the Supplier's production facility, etc., and to ensure that Universal's assembly plants are supplied with enough certified stock to assure no disruptions to production. Material must be labeled as certified for the specific defect or defects for the next three shipments unless otherwise directed by Universal.

8.6.2.1 Depending on the continuity of supply situation, the following may occur:

8.6.2.1.1 High inventory at Universal—Supplier may choose to have product returned or Supplier may sort at Universal.

8.6.2.1.2 Low inventory at Universal—Supplier must come on-site to Universal to sort for defective product.

8.6.2.1.3 Extremely urgent (possible line down)—Universal will take the appropriate action, and the Supplier will be responsible for all costs incurred.

8.6.2.2 Universal will contact the Supplier for authorization to return the material at Supplier's expense.

8.6.2.3 Universal will not manage Supplier sorting using a third-party outside source. Suppliers are responsible for third-party outside sources and must make all arrangements to ship parts between Universal and third-party outside source. Supplier will also be responsible for inspecting and monitoring the quality of sorted parts.

8.6.2.4 Defective parts returned to the Supplier, reworked and returned to Universal may still be counted toward the Supplier PPM. Reworked parts must meet specifications. The repairing of parts is not permissible without prior written authorization from Universal.

8.6.2.5 Supplier is responsible for reporting accurate sorting results and to request adjusted defective quantities when appropriate. This can have an impact on the Supplier's PPM calculation.

8.6.3 8-D Corrective and Preventive Action Reports

8.6.3.1 General

8.6.3.1.1 The Supplier will respond to SCARs by using the Universal 8-D Problem Solving Form or other form approved by Universal SQA personnel. The 8-D documentation will be submitted in response to each SCAR, unless otherwise agreed to by the Universal SQA representative. E-mail is the preferred method of response.

8.6.3.1.2 Initial Submission. Universal must receive the initial 8-D response within 24 hours of notification. The 3-D report, with the containment action taken and initial sort results found, must be submitted within 48 hours. The 5-D report must be submitted within 14 days. The above deadlines apply, unless otherwise specified (e.g. if a customer requires stricter deadlines such as 5-D closure within 7 days instead of 14 days, Universal may require a faster response from the Supplier).

8.6.3.1.3 Final Submission. Suppliers must submit the final 8-D Problem Solving Form to the appropriate Universal SQE for approval and closure as soon as practical, but no later than 30 days from the SCAR issuance date. The Supplier may request approval for an extension of the 30-day deadline, but must do so prior to the original deadline. Requests should be made to the appropriate Universal SQE.

8.6.3.1.4 Approval and Closure

8.6.3.1.4.1 The appropriate Universal SQE, prior to closure of a SCAR, must approve a

Supplier's final 8-D Report. Any 8-Ds open beyond 30 days may negatively impact the Supplier's performance rating. (See **Supplier Performance Metrics** section.)

8.6.3.1.4.2 If the 8-D identifies a change to the process or part, the Universal Change Management requirements MUST be followed. (See **Supplier Change Management** section.)

8.6.3.1.5 Supplier may be requested to present their corrective actions on-site at the Universal Facility.

8.6.3.1.6 Universal and its Customers reserve the right to verify product conformance to the requirements at the Supplier's and their subcontractor's plants.

8.6.3.1.7 Verification of the implemented corrective action on-site at the Supplier may be accomplished during subsequent visits.

8.6.3.1.8 If Corrective Actions take more than two (2) weeks to implement, a progress report may be required.

8.6.3.1.9 When the corrective action is completed and verified to be effective, the appropriate Universal SQE is responsible for approving the 8-D closure and notifying the Supplier contact of the closure.

8.6.4 **Controlled Shipping**

8.6.4.1 Universal may determine that special measures are required to ensure adequate quality and delivery performance. The costs related to these measures, including but not limited to Controlled Shipping, will be at the Supplier's expense.

8.6.4.2 Controlled Shipping is a requirement by Universal for a Supplier to add a redundant inspection process for sorting of a specific non-conformance, while implementing a root cause problem-solving process. The redundant inspection is in addition to normal controls and should be completed in a controlled area. Submission of the inspection results is required. The data obtained from the redundant inspection process is critical as both a measure of the effectiveness of the secondary inspection process and the corrective actions taken to eliminate the initial nonconformance.

8.6.4.3 The Universal SQE will notify the Supplier they have been placed on Controlled Shipping. Two levels of Controlled Shipping exist:

8.6.4.3.1 **Level 1** includes a problem solving process and inspection process. The Supplier's employees at the Supplier's location enact the inspection process in order to isolate the Customer from receipt of non-conforming parts/material.

8.6.4.3.2 **Level 2** includes the same processes as Controlled Shipping – Level 1, with an added inspection process by a third-party inspection service provider representing Universal or Universal's Customer's interests specific to the containment activity. The third-party inspection service provider is selected by the Supplier, approved by Universal or Universal's Customer, and paid by the Supplier for the inspection services. Suppliers may select the third-party inspection service provider from an approved listing maintained by Universal or Universal's Customer.

8.6.4.4 Additional control measures may be required if the initially agreed upon level 2 controls are not effective.

8.6.4.5 Criteria for application for Controlled Shipping – Level 1 or 2:

8.6.4.5.1 Universal will make the determination whether the Supplier can effectively correct the non-conforming material situation through the normal SCAR / 8-D process and isolate Universal or Universal's Customer from the problem. One or several of the following issues may be cause for Supplier to be considered for implementation of Controlled Shipping:

- Repeat SCARs

- Supplier's current controls are not sufficient to ensure conformance to requirements
 - Duration, quantity, and/or severity of the problem
 - Internal/external Supplier data
 - Controlled Shipping – Level 1 failures
 - Major disruptions
 - Quality problem in the field (i.e., warranty).
- 8.6.4.5.2 Based on consideration of the above, Universal decides whether Level 1 or Level 2 would be appropriate.
- 8.6.4.5.3 A 3rd party or a Universal representative may perform audits. The data obtained from the third-party redundant inspection process as well as any audits are critical as both a measure of the effectiveness of the secondary inspection process and the corrective actions taken to eliminate the initial non-conformance.
- 8.6.4.5.4 In special cases, the Controlled Shipping – Level 2 inspection may be required to be performed outside the Supplier's facilities at a facility deemed appropriate by Universal.
- 8.6.4.6 Exit criteria Controlled Shipping – Level 1 & Controlled Shipping – Level 2:
- 8.6.4.6.1 The default exit criteria will be used when no other exit criteria are defined. The default criteria are listed below and must be provided to the Universal representative when requesting removal from Controlled Shipping:
- Three production lots / shipments of data from the containment activity, and a summary, which verifies that normal production controls are effective for controlling the discrepancy(ies) identified in the Controlled Shipping activity. The time begins accumulating from the date of implementation of permanent corrective action.
 - Documentation showing the root cause was identified and verified.
 - Documentation indicating that corrective action has been validated.
 - Documentation indicating that every effort was taken to implement error proofing.
 - Copies of all documentation revised as required (control plan, FMEAs, process flow diagram, operator's instructions, training records, etc.). Statistical data where appropriate.
 - Other information requested by Universal.

8.7 Supplier Charge Back for Non-Conformance

8.7.1 General

- 8.7.1.1 Suppliers are responsible for the quality, on-time delivery, and reliability of the product they supply. Product must meet the drawing and any referenced specifications. The Supplier accepts financial responsibility for the consequences of non-conforming product and rejected FAI submissions including, but not limited to, costs incurred for containment, sorting, premium freight, rework (internally or externally), repair costs of Universal value added processing, replacement of defective material, resulting overtime, and productivity loss incurred by Universal or by Universal's Customers.
- 8.7.1.2 Following is the schedule for charge back costs associated with nonconforming product sent to a Universal site:
- Administration fee for each Quality Notice (QN) issued (\$300)
 - Off-site Third-Party Inspection Services (Sorting) charges are to be settled directly between Supplier and Third-Party Inspection Service Provider.

- In-house sorting by Third-Party Inspection Service Provider (if allowed by specific Universal site) charges to be settled directly between Supplier and Third-Party Inspection Service Provider.
- In-house sorting by Universal personnel (if required to avoid down production line). Supplier will be responsible for actual costs incurred.
- Production Line Down Charge. Supplier will be responsible for actual costs incurred.
- Miscellaneous fees (rework, material handling (*including shipping defective material back to the supplier*), required Customer visit time and travel costs, expedites, Customer location sorting fees, tooling/machine damage, testing, etc.) Supplier will be responsible for actual costs incurred.
- Supplier will be responsible for all applicable warranty costs.

8.7.2 **Unauthorized Changes.** In cases where a Supplier has implemented an unauthorized change or has failed to deliver contracted products in accordance with the specifications and terms of the Universal Purchase Order, all cost that are incurred by Universal and/or its Customers will be the sole responsibility of the Supplier.

8.7.3 **Charge Back Debit.** The method of charge back will be by debit memo, processed by the Universal Accounts Payable.

8.8 Traceability Requirements

8.8.1 Having a strong traceability system is a key component to overall success, with the focus on improving quality, reducing costs, optimizing processes, and ultimately improving time-to-customer throughout our supply chain. Cradle-to-grave availability and visibility of data is vital for our supply base who make, store, or move components through the supply chain because the data is used in production output calculations, quality control and process capability calculation, inventory management, revenue forecasting, warranty, repair, and other business operations. It's also critical to increasing throughput and lowering production costs. Lack of individual traceability significantly increases the time for root cause analysis and identification of the source of a defect, as well as increased financial impact in the event of a quality spill.

8.8.2 With that in mind, Universal has specific traceability requirements outlined below:

- Traceability System requirements
- Individual or batch/lot component traceability requirements
- Manufacturing, machining, assembly, testing process traceability requirements
- Traceability Data Retention
- Part Identification (i.e. Laser Etching, Barcoding, etc.) requirements

8.9 **Embedded Software Requirements.** This requirement is in accordance with IATF16949:2016 requirements which outlines the following:

8.9.1 Organizations must use a process for quality assurance of products with internally developed embedded software, and have an appropriate assessment methodology to assess their software development process.

8.9.2 The software development process must also be included within the scope of the internal audit program; the internal auditor should be able to understand and assess the effectiveness of the software development assessment methodology chosen by the organization.

8.10 Product Safety Requirements

8.10.1 Product Safety is critical, and Suppliers must have documented processes for management of product-safety related products and manufacturing processes. New requirements related to product safety include, where applicable:

- Special approval of control plans and FMEAs
- Training identified by organization or customer for personnel involved in product-safety related products and associated manufacturing processes
- Transfer of requirements with regards to product safety throughout the supply chain, including customer designated sources.

8.10.2 This clause highlights the fact that a product should perform to its designed or intended purpose without causing unacceptable harm or damage. Suppliers must have processes in place to ensure product safety throughout the entire product lifecycle.

8.11 Cleanliness Requirements

8.11.1 Contamination control will improve part cleanliness over time with measurement, process control and handling improvements. It utilizes a standardized systematic and a structured approach to monitor and control contamination sources, and applies a disciplined approach when responding to issues. Contamination control

- Provides a systematic approach for control and communication of contamination issues
- Supports and establishes defined areas of continual improvement
- Identifies areas of contamination risk
- Improves quality metrics: reduces PPM and warranty

9. Supplier Change Management

9.1 **General.** Recognizing that managing change is of critical importance, Universal has implemented a corporate-wide Change Management System designed to ensure the quality and integrity of Universal products. Suppliers are expected to take a proactive approach to issues of non-conforming product or any changes to design, performance, materials, or processes. Suppliers should never ship such product before obtaining written Universal approval through one of the methods outlined below. In cases where a Supplier has implemented an unauthorized change and Universal and/or its Customers have been negatively impacted, the Supplier will be responsible for compensating Universal for all associated costs.

9.2 Temporary Changes

9.2.1 When seeking permission to temporarily ship product that is out of specification or product that is produced with a temporary process change not reflected in the Supplier's current Process Control Plan, the Supplier is responsible for obtaining approval prior to shipping. Such situations might include minor dimensional errors or a processing operation outsourced while a machine is down. Note that any changes to Supplier-specified product characteristics also fall under this requirement even if they are not shown on the Universal drawing.

9.2.2 Suppliers must complete and submit a Supplier Change Request Form (SCM-F008) to the appropriate Universal Supplier Representative for review and approval. Note that the same form is used for Temporary Deviation Requests and Permanent Change Requests (different approval sections on the form).

9.2.3 The Supplier must obtain written permission prior to shipping product that is out of specification and carry out the following:

- Submit Supplier Change Request (SCR)
- Check the box for Temporary Deviation Request only
- Track the SCR expiration date and applicable quantity of product
- Ship product within the scope of the SCR
- Obtain authorization for additional shipments beyond the agreed limit.

9.3 Permanent Changes

9.3.1 **General.** When seeking permission to make a permanent change to the design, performance, or processing of product supplied to Universal, Suppliers must request approval as described below prior to implementation. Note that any changes to Supplier-specified product characteristics also fall under this requirement even if they are not shown on the Universal drawing and/or specification.

9.3.2 Supplier Change Request

9.3.2.1 Suppliers seeking permanent changes to product design, performance, or processing must complete and submit a Supplier Change Request (SCR) Form (SCM-F008) to the appropriate Universal Supplier Representative for review.

- The form must include all relevant information.
- Universal may approve, reject or apply conditions of approval to the SCR (e.g., FAI and validation testing required after change is implemented). The disposition is determined by the nature of the change and impact on manufacturing and Customer requirements.

9.3.3 Approval of the SCR does not authorize the Supplier to ship—it is only the authorization to proceed with coordination of FAI submission.

9.3.3.1 Suppliers must **NOT**:

- Implement changes before receiving full FAI approval in writing
- Ship until satisfying all FAI requirements
- Ship prior to the implementation date established with the Universal Buyer.

9.3.3.2 In cases where a Supplier has implemented an unauthorized change and Universal and/or its Customers have been negatively impacted, the Supplier will be responsible for compensating Universal for all associated costs incurred by Universal and its Customers.

9.3.4 End Of Life (EOL)

9.3.4.1 As per the JEDEC Standard J-STD-048, the supplier shall provide notice of a product End of Life to UIC and UIC agents, allowing a minimum of six (6) months from the notice to place final orders and twelve (12) months from the notice for final shipments.

9.3.4.2 The supplier shall assist UIC by providing information, recommendations, and technical data to help locate an alternate source or select a replacement product. Under certain conditions this may not be applicable (e.g., custom or semi-custom products for which follow up products are not planned or viable).

9.3.4.3 Upon customer request and supplier agreement, the supplier will negotiate with the customer other feasible options, such as the sale or transfer of technology and tooling, and the establishment of wafer or die banks to support on-going requirements.

9.4 Review Process

9.4.1 Review and Approval Process

9.4.1.1 A cross-functional group at Universal will evaluate the SCR (SCM-F008) and any relevant APQP forms. The nature of the change (Supplier process or design change) will determine if it can be implemented quickly or if Universal will require validation testing and approvals from our Customers.

10. Materials/Delivery Expectations

10.1 Delivery Expectations

10.1.1 Plant-Specific Requirements

10.1.1.1 In addition to complying with the materials and delivery expectations defined in this section, Suppliers must also comply with the laws of the country of each receiving Universal facility and additional materials and delivery expectations, where applicable, of specific Universal locations. Contact the appropriate Universal Buyer at the receiving Universal production facility for any questions on plant-specific requirements.

10.1.1.2 All goods or their containers must be marked with the appropriate country of origin.

10.1.2 **Program-Specific Requirements.** Universal will specify expectations for materials during the Advanced Product Quality Planning process, RFQs, purchase orders and other forms of communication. The requirements include at least:

- Labeling
- Capacity
- Delivery terms according to INCOTERMS 2020 (i.e. - EXW, FCA, CIF, DAP, DDP)
- Containers, trays and other packaging
- Warehousing
- Consignment
- Product identification
- Hazardous material restrictions (including but not limited to IMDS/MSDS, REACH, ROHS, GADSL requirements)
- Preservation of product
 - Rust preventative – Process must ensure parts are rust free for a minimum of 30 days after receipt at the using Universal facility. Rust preventative films, oils, greases, and/or material must be approved by UIC.
 - Contamination – Reasonable care must be taken to ensure parts are contamination free upon receipt at the Universal receiving facility. Additionally, part-specific contamination standards may be required as noted on the part print.
- Material release and pull systems
- Transportation mode and carrier route
- Returnable Packaging (avoid waste wherever possible!).

10.1.3 Suppliers are expected to ship 100% on time to Universal based on Universal's terms and conditions as defined in its Purchase Order. Any costs associated with delays in shipments will be at the Supplier's expense.

10.1.4 **Overseas Suppliers/Shipments.** Unless specified by Universal, all Suppliers whose products require ocean transportation are required to maintain a minimum 30-day inventory buffer in the country of the receiving plant. The 30-day buffer is determined by calculating the average monthly requirement from the latest forecast/release (ex. 12-week release or 6-month forecast).

10.1.5 It is the Supplier's responsibility to monitor and maintain this buffer at all times. Any expenses incurred by a Universal facility, or Universal partner, due to an inadequate inventory buffer will become the responsibility of the Supplier. Any deviation from this policy must be negotiated with the proper Universal representative.

10.2 Packaging/Containerization

10.2.1 The Supplier will plan for the timely provision of containers and/or packaging media to support Universal requirements. Returnable packaging systems are the preferred method of production part packaging. Extra cleaning processes required to meet Universal cleanliness needs are the responsibility of the Supplier. Any costs associated with extra cleaning are to be part of the Supplier's quotation and are the responsibility of the Supplier. Universal must approve all packaging design during APQP and prior to FAI sample submission. Suppliers are not permitted to ship product to Universal without packaging approval by Universal.

10.2.2 The Supplier will develop and implement a system to monitor container quantities and their condition. The Supplier will also ensure that the following conditions are met:

- Containers are kept in good suitably clean and dry condition (free from foreign material).
- Labels from previous shipments are removed.
- Containers are maintained in working order (i.e., lubrication of gate hinges, spring clip locking devices, etc.).
- Damaged containers, trays, or other Universal-supplied product are to be removed from the float, tagged as defective, and returned with notification to the Shipping Department at the appropriate Universal plant. Reimbursement to Universal will be made for Supplier-incurred damage of returnable packaging.
- Universal will ask each Supplier that utilizes Universal-owned returnable dunnage to keep inventories at their plant to ensure proper material flow.
- At the end of the calendar year, Universal may request an inventory count of all returnable dunnage, including what is in storage at any of Supplier's plants and what is in transit to Universal.
- Packaging meets all government and environmental regulations.

10.2.3 The Supplier is responsible for all normal and reasonable costs associated with cleaning and minor repair.

10.2.4 Approval of Packaging

10.2.4.1 Suppliers must utilize UIC Supplier Packaging Form 43233602 unless otherwise directed as part of the APQP process.

10.2.4.2 All Packaging material must comply with ISPM 15 or any of its future revisions.

10.3 Labeling & Identification

10.3.1 **General.** These requirements are for the printing and placement of shipping labels and part identification labels.

10.3.2 **Label Size & Materials.** The size of the Universal label will be determined by Universal receiving plant. Label stock must be white, and the printing must be black. The tag will be affixed via a pressure sensitive or dry gummed application. If the label cannot be affixed to the package/container because of container size or design, special arrangements will be required between the Buyer at the receiving Universal plant and the Supplier.

10.3.3 Label Types, Label Placement, & Machine Readable Information

10.3.3.1 Label fields specified as containing machine readable information (bar codes) will comply with plant specific requirements. Of particular note, Master Labels, and Mixed Load Labels will be affixed to secondary containers in such a manner that when the pack is broken apart, the label is discarded or destroyed (e.g., hang Mixed Load Label from the banding or attach to stretch wrap).

10.3.3.2 In order to ensure label accuracy, it is expected that the Supplier verify (electronically or manually) all labeling to ensure that the label matches the purchase order (or release). Label errors may be treated as a quality complaint necessitating permanent corrective action.

10.4 Transportation & Supply Chain Security

10.4.1 Customs-Related Information

10.4.1.1 Suppliers are required to:

- Provide all information necessary for Universal to comply with all applicable laws, regulations and related legal reporting obligations in the country(ies) of destination.
- Provide all documentation and/or electronic transaction records to allow Universal to meet customs-related obligations, any local content/origin requirements, and to obtain all tariff and trade program duty avoidance(s) and/or refund benefits, where applicable.

10.4.2 WCO Framework of Standards to Secure and Facilitate Global Trade (“WCO-Framework”)

NOTE: Supplier are optional, Freight forwarders are not optional.

10.4.2.1 The WCO-Framework applies to all Suppliers exporting goods to locations other than the United States.

10.4.2.2 Supplier will certify in writing that it is either a participating member of the WCO program as promulgated by the World Customs Organization or that it is in compliance with all applicable supply chain security recommendations or requirements of the WCO program initiative (for more information go to <http://www.wcoomd.org/home.htm>).

10.4.3 **Requirements for International Shipments.** All delivered goods must be accompanied by the commercially necessary documents that are needed to ensure a proper allocation and completion of the shipment. This includes:

- Invoice
- Packing List
- AWB/MAWB, CMR, ECB or BL
- If needed: Preferential Documents, Certificate of Origin

10.4.4 **International Shipping Invoice Requirements.** Supplier agrees to comply with the Universal standard international invoice requirements:

- Invoice Number
- Invoice Date
- Name and address of the seller
- Name and address of the purchaser

- Name of the merchandise, described in sufficient detail to properly classify the merchandise under importing country's customs law. This description must be written in English.
- Country of origin
- Name and address of the manufacturer, if applicable
- The Universal purchase order number
- The Universal part number
- Terms of Sale (per INCOTERMS 2020)
- Purchase price and currency
- Unit price and extended price on each line
- Schedule B with 10 digits for each line
- ECCN if anything other than No License Required (NLR)
- Total value of shipment
- All charges and discounts

10.4.5 Packing List Requirements

- Packing List Number
- Packing List Date
- Reference to PO number and SAP Order Number
- Marks and numbers of the packages in which the merchandise is packed (Ex. Package 2 of 4)
- Merchandise quantities, gross and net weights and measures

For International Shipments:

- Country of origin "Manufacture"
- Schedule B number
- Export Control Classification Number (ECCN)

10.4.6 Preferences/CoO – Certificate of Origin

- Free Trade Agreements (FTA)
- Preferential Treaties between the Supplier's Country and the Customer's Country
- CoO issued by the official agency in charge

The preferential documents must be included with the documents required for customs clearance. Any additional costs incurred due to missing documents will be charged to and accepted by the Supplier.

10.4.7 **Importer Security Filing ("ISF" 10 + 2).** All Suppliers shipping to Universal U.S. locations via vessel must provide timely ISF information to Universal's designated Agent. The Supplier must include all ISF fields on their commercial invoice. For more information see the CBP ISF site.

10.5 Preferred Transportation Carriers

10.5.1 **Freight Paid by Universal.** Suppliers will utilize only Universal preferred transportation carriers at all times unless otherwise instructed by Universal for opportunities to reduce costs and improve logistics.

10.5.2 **Freight Paid by Suppliers.** Suppliers should investigate the utilization of Universal preferred transportation carriers for opportunities in transportation costs reductions and improved logistics.

10.5.3 **Special Circumstances.** Under special circumstances, Universal reserves the right to impose the use of Universal preferred transportation carriers.

Supplier Performance Metrics

10.6 General. This Supplier Performance Rating System presents the criteria that will be used by Universal to rate production material Suppliers. Ratings will be published on a monthly basis using the following categories.

- Quality 40%
- Delivery 30%
- Cost Management 30 %

10.7 Quality Performance

10.7.1 Supplier Corrective Action Requests (SCARs) – (20 Points)

- The expectation is “0” SCAR’s. See section 9.6 in this Supplier Manual for a detailed description on the SCAR process.
- The number of SCAR’s for each month will be shown on the scorecard summary. A Supplier with a total of 0 SCARs over the previous six months will receive the full 20 points as current score. E.g. a Supplier with a total of 3 SCARs over the previous six month will receive “14 points” as a current score (see table below).
- Unless otherwise specified by Universal, the following scale is used for Suppliers:

Total SCARs (rolling 6 months)	Points
0	20
1	15
2	10
3	5
≥4	0

- Suppliers are penalized with a maximum 10 Points reduction per category:
Repeat quality issues:
 - A repeat quality issue is:
 - Defect occurs more than once
 - Defect after initial 8D is closed
 - Defect with confirmed identical root cause
 - Defect occurs on a similar part, different machine
 - A repeat quality issue is not:
 - A repeat defect occurring before initial 8D is solved
 - A similar failure mode with a different root cause
 - Same supplier having a different failure
 - Unauthorized change and unapproved SCR:
 - Unauthorized changes are any changes to production components or subcontractors without written approval by Universal.
 - Quality issue – Pass through defect to the customer:
 - SCAR’s can seriously impact Universal’s Customer, resulting in a line shut down or a stop shipment to Universal’s customer.

10.7.2 Responsiveness to SCARs/8-D Closure (10 points)

- The expectation is that the Supplier will submit a response to Universal with 8D closure within 30-days. Suppliers will not be penalized if granted a Long-Term Action Pending to the 30-day period for 8-D submission, provided that the request is made within the 30-day period.
- The following scale will apply to all Suppliers:
 - 8-D closure(s) submitted within 30 days 10 points
 - Any 8-D open for more than 30 days 0 points

10.7.3 PPM Defect Rate (10 Points)

- The expectation is 0 PPM. Formula: (Total Number of Defective Parts Found/Parts Delivered in the Month) x 1,000,000). Universal will count only non-conforming parts, but the Supplier must forward sort results from “in House” sorts or the full quantity will be applied to the Supplier’s PPM calculation.
- Unless otherwise specified by Universal, the following scale will apply to all Suppliers:

PPM	Points
0	10
1 - 100	9
101 - 200	7
201 - 400	5
401 - 600	3
601 - 800	2
>1,000	0

10.8 Delivery Performance

10.8.1 On Time Delivery Score (25 points)

- The expectation is delivery of product 100% on time and the accurate quantity on time.
- Formula: Number of Deliveries on time/Number of Releases required.
- The following scale will apply to all Suppliers:

On-Time Delivery Rate	Points
100%	25
98-99%	23
91-97%	20
83-90%	15
76-82%	10
<75%	0

10.8.2 Premium Freight Score (5 Points). The expectation is that there are no instances of expedited freight:

- 0 instances of Supplier-induced Expedited Freight 5 Points
- >0 instances of Supplier-induced Expedited Freight 0 Points

10.9 Cost Reduction Performance

10.9.1 Cost Reduction Score (30 Points).

- The expectation is that the Purchase Order (PO) piece prices for all production parts supplied to Universal are reduced by 5% year-over-year.
- The following scale will apply to all Suppliers:

Cost Reduction Achieved	Points	Cost Reduction Achieved	Points	Cost Reduction Achieved	Points
≥5.00%	20	3.25%	13	1.50%	6
4.75%	19	3.00%	12	1.25%	5
4.50%	18	2.75%	11	1.00%	4
4.25%	17	2.50%	10	0.75%	3
4.00%	16	2.25%	9	0.50%	2
3.75%	15	2.00%	8	0.25%	1
3.50%	14	1.75%	7	0.00%	0

10.10 Supplier Balanced Scorecard

10.10.1 Balanced Scorecard Content

- The Supplier Balanced Scorecard addresses Quality, Delivery, and Cost Performance data.
- The Scorecard will contain supporting detail.

10.10.2 Issuing the Scorecards.

- Suppliers will be sent to suppliers via e-mail. Suppliers that have not shipped product within the previous six months will not be issued a Supplier Balanced Scorecard.

10.10.3 Review of Performance Scores.

- Suppliers are expected to review their Balanced Scorecards on a monthly basis. In the event that the Supplier believes that the Scorecard contains inaccurate data, the Supplier should immediately notify the appropriate Universal Supplier Representative for discussion, review and resolution.

10.11 Supplier Rating System

10.11.1 A Level (Score 100-90).

Supplier is a preferred supplier for new business (within commodity).

10.11.2 B Level (Score 89-75).

Supplier is approved for new business opportunities.

10.11.3 C Level (Score 74-60).

Sourcing opportunities are limited based on reasons for status. Effectiveness and suitability of supplier system should be analyzed for root cause(s) and corrective action. Improvement plans may be required for review with Universal.

10.11.4 D Level (Less than 60).

Supplier is not eligible for new business award without Senior Management review at Universal. Corrective action plans should be reviewed with Universal Management on a pro-active basis to maintain the business relationship.

11. Process Audits: Post SOP

11.1 Verification of Conformance

Universal and its Customers reserve the right to verify product and process conformance according to the requirements at the Supplier's and subcontractor's premises—on a scheduled or unscheduled (event-orientated) basis or frequency.

11.2 Auditor Access

Suppliers are to ensure the auditors have full access to all Universal product related processes and documents—e.g., FMEA, Process Control Plan, measurements, etc. These audits will be based on using the Universal SUPPLIER RISK & QUALITY SYSTEMS ASSESSMENT.

12. Approved Sourcing List (ASL) Process & Directory

12.1 General.

12.1.1 The Approved Sourcing List (ASL) is a list that contains all direct material Suppliers and their corresponding sourcing classification. The list is managed by UIC Supply Chain Management. The ASL identifies the following information:

- Supplier DUNS number, Supplier name
- Commodities Approved for sourcing
- Material
- Supplier classification: Approved/Not Approved/Under Development
- Business Unit usage

12.1.2 Suppliers will not be sourced production business from Universal unless they are on the Universal ASL. A Supplier can only be added to the Universal ASL through the approval of a classification recommendation.

12.2 Supplier Classifications.

12.2.1 The Supplier classification links the Supplier to the commodity in the ASL. Below are the definitions of a Supplier's classification:

12.2.2 Under Development

A Supplier under development is an approved Supplier who is conditionally approved for sourcing. A Supplier under development is a Supplier who is new to Universal and is currently in a launch mode. Upon successful launch, the classification is changed from Under Development to "Approved." Suppliers who have achieved "Approved" cannot be placed "Under Development" at a later date for the same commodity classification.

12.2.3 Approved

A Supplier with an "Approved" classification is eligible for sourcing. To become eligible for an "Approved" classification, the Supplier must receive an "Approved" recommendation.

- A Supplier currently supplying direct material to Universal must receive an "Approved" recommendation for the Supplier to be classified as "Approved" for new sourcing.
- A new Supplier must have an acceptable Supplier Assessment and an "Approved" recommendation for the Supplier to be classified as "Approved" based on a successful launch.

12.2.4 Preferred

12.2.4.1 In addition to meeting and maintaining all the requirements for "Approved," Preferred Suppliers must meet Universal's strategic goals and consistently meet cross-functional expectations from engineering, quality, delivery, and price. Any Supplier may be recommended for "Preferred" Classification. However, approval of the VP, SCM must be obtained prior to the formal classification being changed on the ASL.

12.2.4.2 As a result of being classified as "Preferred," the Supplier must be solicited for quotes on all new business opportunities consistent with commodity strategies. In addition, "Preferred" Suppliers are:

- Recommended to assist in product development
- Recommended sources for new orders

- Encouraged to sign formal business agreements as appropriate
- Required to attend Quarterly Business Reviews with UIC

12.2.5 **Strategic Suppliers.** A “Strategic” Supplier is an approved Supplier that not only meets and maintains all the requirements for an “Approved” Supplier but also must meet ALL of the following conditions:

- The Supplier’s product or service is fundamental to the success of the Business Unit’s CORE BUSINESS operations.
- A limited number of Suppliers exist who can supply the product or technology.
- The financial and operational risk of moving to an alternative is great.
- A significant amount of resources will be dedicated to this Supplier.
- Both parties expect a long-term, mutually dependent relationship through negotiation and execution of a UIC Supplier Agreement.

12.2.5.1 To be classified as a “Strategic” Supplier, the Universal SCM Management Team must all concur. As a result of being classified as “Strategic,” the Supplier must be allowed to quote on all new business opportunities, and advance products. In addition, “Strategic” Suppliers are:

- Recommended to assist in product development
- Recommended sources for new Business Units orders
- Encouraged to sign formal business agreements as appropriate
- Required to attend Bi-annual Business review meetings with the ECM or applicable Business Units (one to be attended by Senior Management).

12.3 **New Business Hold (NBH)** At times the performance of a Supplier may be so problematic that actions above normal Supplier Development may be required. In these situations the Universal SCM Management Team may choose to place a Supplier on New Business Hold (NBH). The purpose of New Business Hold is to signal to the Supplier that significant and immediate change and improvement is needed. It is the intent of Universal Supply Chain Management to work with the Supplier to resolve the performance issue(s) so that normalized business relations can occur.

12.3.1 **Placing Suppliers on New Business Hold.** A Supplier will be notified of NBH by the Vice President of Supply Chain Management.

12.3.2 **Criteria for a Supplier Being Placed on New Business Hold.** A Supplier may be recommended for New Business Hold for any of the following issues:

- Chronic or severe quality, delivery, or cost issues
- Unauthorized process changes
- Unethical business practices
- Financial distress
- Any issue not listed above that significantly impacts a Business Unit adversely.

12.3.3 **New Business Hold Ramifications:**

- Supplier cannot be awarded new business until established exit criterion has been met and NBH status has been removed.
- New Business Hold affects all locations and divisions of a Supplier on New Business Hold.
- A Supplier on New Business Hold is on New Business Hold for all Universal locations.
- Suppliers on New Business Hold may be permitted to participate in Universal

quotations and continue to launch business awarded prior to being placed on New Business Hold.

- De-sourcing may be necessary if the Supplier is not able to meet exit criteria.
- Supplier must notify their Quality Registrar of their NBH unless NBH is for financial reasons or issues.

12.3.4 Universal Champion Responsibilities

12.3.4.1 Immediately after written notification, the Universal Champion will schedule a face-to-face meeting with the Supplier and Supplier Development to review improvement expectations, exit criteria, and timing to exit New Business Hold.

12.3.4.2 The Universal Champion will also verify that the Supplier has notified their QS/TS registrar of being placed on New Business Hold if the New Business Hold is not related to financial issues.

12.3.4.3 It is the responsibility of the Universal Champion to assist the Supplier in meeting their exit criteria and timing. The Universal Champion is also responsible for communicating to the Universal SCM Management Team the Supplier's progress in meeting exit criteria and timing.

12.3.5 New Business Hold Target Exit Date.

12.3.5.1 Suppliers on New Business Hold will be reviewed based on the timing agreed at the time the Supplier is placed on NBH. At that time, the status will be updated based on the completion of milestones as identified by the Exit Criteria or recommendation of the SCM Management Team.

12.3.6 Exit Criteria

12.3.6.1 Upon successfully completing the established exit criteria to the satisfaction of the Universal Champion, the Universal Champion will recommend to the SCM Management Team that the Supplier's status be changed from "D=Eng. Development" " to "B=Active Supplier" The Universal Champion will notify the SCM Management Team by completing the ASL Add or Change Form (GSM-F016).

12.3.6.2 Upon approval of the SCM Management Team, the Universal Champion will issue a letter to the Supplier notifying them of status upgrade.

13. Supplier Conferences/Summits

From time to time Suppliers will be requested to attend Universal sponsored conferences or summits. These conferences/summits will either be regional in nature or Business Unit focused. Supplier participation and support of these conferences/summits is required.

14. Record Retention

The control of records will satisfy all regulatory, Universal, and Customer requirements. These records must be available for review by Universal upon request and retained for periods of time specified by Universal.

Supplier Manual Revision History

Rev	Date	Section Modified & Description of Change	Author/Editor