



Bergstrom

Supplier Manual

At this time, this Supplier Manual is being issued only to suppliers to the Bergstrom Climate Systems (BCS) division of Bergstrom Incorporated. Publication will be expanded to suppliers to other divisions in the future.

Printed copies are uncontrolled.

Revision J

Revision Control

REV	DATE	SUMMARY OF CHANGE	APPROVAL
1	11/1/2009	Initial release	Rick Knott
2	4/19/2010	Updated Structure and Language	Rick Knott
3	12/4/2010	Significant Updates To Structure and Language, Added Restricted Materials List – No change indicators used	Dan Giovannetti
D	9/30/2011	Updated PPAP section to include IMDS and other minor changes Appendix C Updated – Kanban Label Format Appendix D added – PSW Format Bold Italic Change Indicator used.	Supplier Council
E	2/1/2012	Update Supplier Performance Monitoring section to replace PPAP Proficiency with IMDS	Dan Giovannetti
F	11/30/2013	Move Revision Control Section to page 2 Add Regulations and Compliance Section <ul style="list-style-type: none"> ➤ Domestic and International Shipping Document and Invoicing Requirements ➤ Conflict Minerals Statement Other minor changes	North American Supplier Council
G	7/21/2014	Add Country of Origin Certificate Requirement to page 19 Add Country of Origin Affidavit as Appendix E	North American Supplier Council
H	10/31/2015	Removed Appendix A Restricted Materials List and added as Content Restrictions in Quality System Section page 9 Appendices B-E updated to A-D Supplier Performance Monitoring updated to remove scorecard metric calculations Moved Product Certification: Country of Origin and NAFTA from Annual Reporting Requirements section to Regulations and Compliance section page 19	Mark Meegan
J	11/22/16	Corrected page numbers in Table of Contents and reference on page 19 to Appendix E (should be Appendix D).	Rick Knott

Bergstrom Inc. Vision

Bergstrom Inc. is committed to being the recognized leader of innovative climate solutions for the people who move our world. The Vision, Strategic Objectives, Critical Success Factors and Principles defined below will be used to direct our actions, and measure our results.

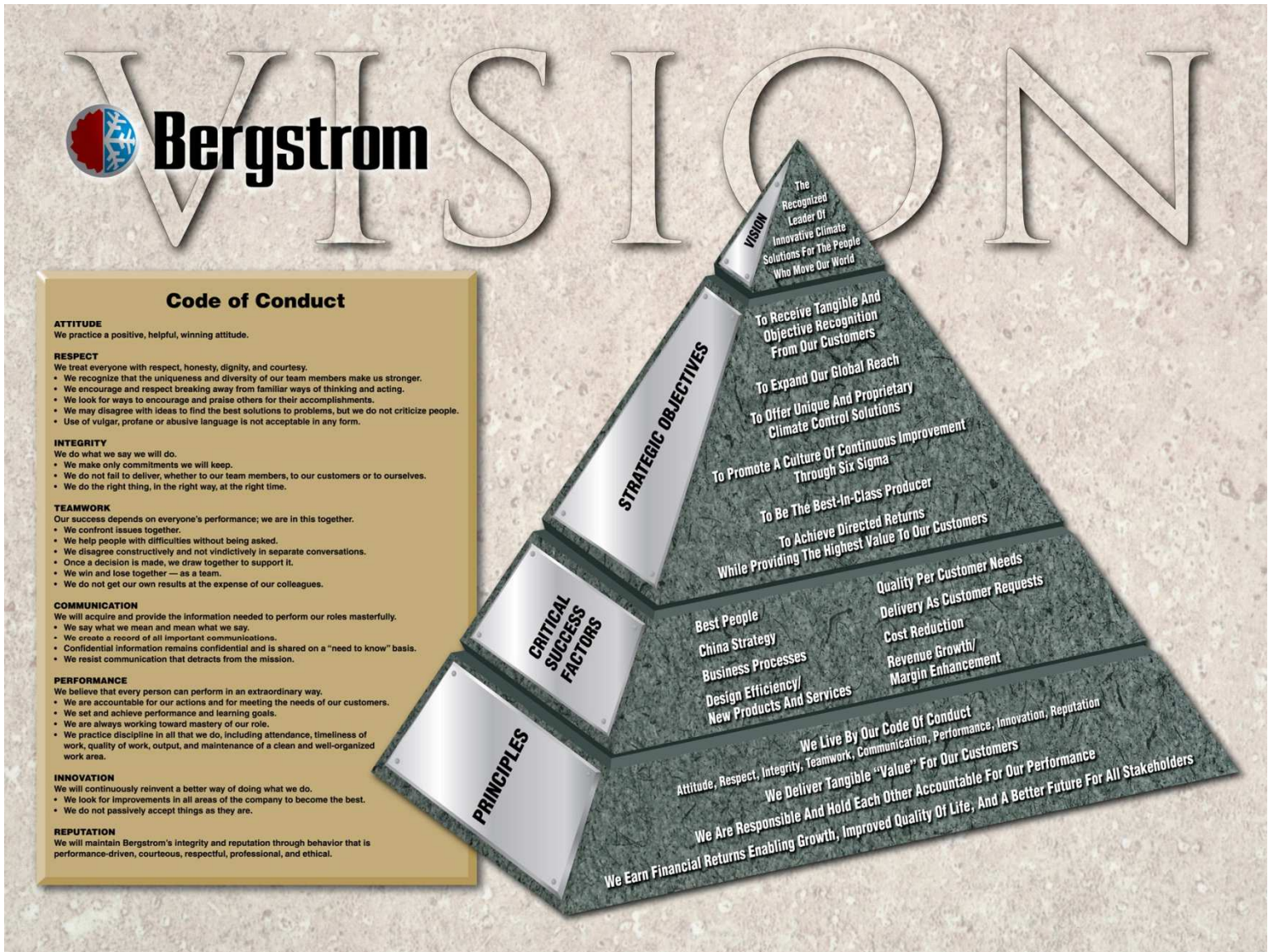


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Preface

Bergstrom Inc. is a global leader in the design, manufacture and supply of climate control systems to the commercial, military, school bus and off road vehicle industries. Since 1949, Bergstrom has supplied the world's largest and most respected companies with climate control systems. By combining progressive engineering talent, lean manufacturing principals, world class suppliers and a global footprint; Bergstrom offers a unique blend of commercial vehicle marketplace focus and customer value.

Responding to ever-changing customer demands, and to provide high quality yet cost competitive products, Bergstrom relies heavily on excellent suppliers as a source for development and improvement of technology. Bergstrom believes suppliers are a key asset, and a strong positive working relationship is necessary to provide our customers with world class products.


This manual is to assist our suppliers in understanding the standards, requirements and procedures that must be in place to assure the shipment of on time, defect free parts to Bergstrom Inc.

Bergstrom continually strives to improve the quality of products supplied to our customers, and requires our suppliers to do the same.

Sincerely,



Mark Meegan
Chief Procurement Officer



John Bracey
VP Global Engineering

Purchasing Policy

Purpose of Bergstrom Supplier Manual

The purpose of this manual is to communicate Bergstrom's requirements and expectations to suppliers of direct materials. Direct materials are defined as raw materials and purchased parts that become part of Bergstrom's end products.

This manual provides details of the quality system requirements required of suppliers and explains the part approval process and ongoing supplier requirements. Compliance with this manual is mandatory and assures Bergstrom that suppliers have the systems, processes and procedures in place to meet necessary requirements.

Bergstrom's Purchasing Policy Statement

The process of purchasing products or services involves the definition of both technical and commercial issues. Technical definitions are the specifications for products or services required from the supplier. Commercial issues comprise the business discussions and agreements by which the technical requirements are satisfied. Bergstrom engineering and manufacturing personnel are responsible for specifying technical requirements. Purchasing personnel are responsible for resolving commercial issues.

Bergstrom commits to provide the following:

- Maintain supplier confidentiality
- Fair and equal treatment for all suppliers
- An equal opportunity for suppliers to quote
- An opportunity for suppliers to evaluate and respond to changes in Bergstrom requirements

In return suppliers are expected to:

- Maintain Bergstrom confidentiality
- Conduct business ethically, without attempt to influence through gifts, entertainment, or favors that would create a conflict of interest
- Advise Bergstrom of product and technology alternatives that would improve the purchase value
- Partner with Bergstrom to produce sustainable products and follow sound environmental practices.

Customer Satisfaction

Bergstrom suppliers are not simply selling their parts and services to us, they are selling their parts and services to our customers through us. We expect each supplier to develop the same commitment and dedication to customer satisfaction as we have. Supplier's management philosophies, quality, technical capacity, cost and supply capability will be evaluated prior to selection. Each supplier has responsibility for products and services sold to Bergstrom, regardless of who selected tier 2 suppliers, tooling or materials. Any potential issues or concerns shall be raised by the supplier in writing during the RFQ / Contract review activity.

1. Management

It is important for a supplier's management team to be strongly customer-oriented and to provide effective leadership for the entire company. Bergstrom may elect to use supplier assessment visits at any time to determine whether adequate management policies and philosophies are in practice, inspect manufacturing processes, and verify quality assurance activities.

2. Quality

Quality is the single most important factor in ensuring customer satisfaction. We believe quality must be built into products and processes during the Advanced Product Quality Planning (APQP) phase and carried out during the production process.

3. Cost

Competition in the parts supply industry has become very strong in recent years. Suppliers are expected to achieve target costs through their ideas, technologies, and improved productivity. We encourage supplier's continuous efforts to reduce cost year by year.

4. Delivery

In order to respond quickly to our customers' needs, it is becoming more and more critical to produce products with the shortest possible lead-time. Suppliers are expected to have a reliable and flexible production system, which can respond in a relatively short lead time, and can be synchronized with our assembly lines. Bergstrom strongly urges each supplier to implement a Kanban system for delivery.

5. Development

Bergstrom will seek to develop long term relationships based on cooperation and mutual trust, and will assist our suppliers whenever possible to meet our requirements. However, the responsibility for meeting the requirements remains with the supplier. Bergstrom suppliers are urged to address concerns as early in the development stage as possible and to resolve quality spills quickly.

6. Supply chain management

To ensure the supply chain is operating as efficiently as possible and generating the highest level of customer satisfaction at the lowest cost, suppliers must adopt a supply chain management system with the associated technology. Suppliers must incorporate strategic (high level strategic decisions), tactical (best practices, favored suppliers, logistics and warehouse strategies), and operational (daily decisions and update) activities.

Quality System

Bergstrom Inc. facilities currently maintain registration to the ISO 9001:2008 standard, and as such, we require new suppliers to be registered to ISO 9001 or ISO/TS-16949. A copy of your certificate of registration must be submitted to Bergstrom. Registration must be maintained and any loss of registration must be reported immediately to the Bergstrom Supplier Quality representative. Bergstrom encourages all suppliers to develop their supply base to a 3rd party registered status

Bergstrom also suggests working toward an earth friendly policy such as ISO 14001.

Bergstrom reserves the right to perform Quality System Assessments for new and existing suppliers. This type of assessment is tailored after the standard that the supplier is registered to, and agrees to meet Bergstrom's specific requirements.

The core tools and reference manuals required to support efforts toward compliance to ISO 9001 or TS-16949 can be obtained through the International Organization for Standardization, or Automotive Industry Action Group (AIAG). Bergstrom requires the use of the methods and documents in these manuals unless specifically expressed otherwise. The manuals include the current versions of:

- APQP & Control Plan (AIAG - Advanced Product Quality Planning)
- Bar Code Symbology Specification (AIAG Code 39 Bar Code)
- FMEA (AIAG - Failure Mode & Effects Analysis)
- ISO 9001 (International Organization for Standardization) -www.iso.ch
- MSA (AIAG - Measurement System Analysis)
- PPAP (AIAG - Production Part Approval Process) - www.aiag.org
- SPC (AIAG - Statistical Process Control)

International Organization for Standardization -www.iso.ch

Automotive Industry Action Group -www.aiag.org

Bergstrom also requires suppliers to provide, as part of the PPAP process, the International Material Data System (IMDS) number for the product you are providing to us. Information on this requirement is available at: IMDS (International Material Data Systems) – www.mdssystem.com. IMDS submissions should be submitted to Bergstrom Inc., ID# 75647.

Content Restrictions

The hyperlinks below are for websites providing lists of restricted substances in finished products, parts, components, or materials supplied to Bergstrom.

<http://www.epa.gov/oppt/existingchemicals/pubs/tscainventory/howto.html>

<https://www.gov.uk/rohs-compliance-and-guidance>

It is the responsibility of the Supplier to verify that the substances listed are not in any products, parts, components, or materials supplied to Bergstrom at or above the referenced threshold.

Quality Planning

Advanced Product Quality Planning (APQP)

Thorough advanced quality planning must be done before product launch to minimize problems encountered during and after launch. This planning involves the use and/or creation of an APQP time line:

- Phase I: Design Program Approval
- Phase II: Prototype
- Phase III: Pilot (Pre - Launch)
- Phase IV: SOP (Launch)

The implementation of the plan will require use, creation or acquisition of:

- Design documents (May include end customer specific standards or requirements)
- Equipment, tooling and facility requirements
- Material sourcing and testing (May include end customer specific standards or requirements, See Content Restrictions section under Quality Systems for information on Restricted Materials)

- Packaging Design
- Process Flow Charts (PFLOW)
- Process and Design (if applicable) Failure Mode and Effects Analysis. (PFMEA & DFMEA)
- Control Plans (CPLAN)
- Initial Process Studies using quality indices such as Cpk (short term) or Ppk (long term). As required.
- Measurement System Analysis Studies (MSA). (a.k.a. GR&R)
- PPAP Submission
- Process Work Instructions
- Process Control condition or set-up sheets
- Training and Qualification of Team Members
- Pilot production runs and analysis

A cross functional team approach to planning and implementation is recommended in which, at a minimum the Quality, Production and Engineering departments are represented. Task timing with assigned responsibility shall be tracked and reported in project planning. Guidelines for quality planning activities should follow the AIAG Advanced Product Quality Planning reference manual.

All “Critical” or “Major” Key Control Characteristics identified by Bergstrom or by the supplier shall be maintained in statistical control, monitored continuously, and made available to Bergstrom upon request.

Continuous Improvement

Continuous improvement is part of the quality philosophy of Bergstrom and a fundamental principle of ISO 9001. Continuous improvement is a process for continuously making improvements in the current standards through systematic analysis and development of creative solutions to implement and strengthen the production system. Every individual at every level of the organization has a role in continuous improvement. Methods such as Lean Six Sigma Manufacturing, Value Stream Mapping, Value Added Value Engineering, Plan Do Check Act (PDCA) and Rapid Improvement Workshop (Kaizen) events are strongly recommended.

Production Part Approval Process

As a supplier to Bergstrom you are required to comply with the applicable PPAP submittal **process**. The conditions requiring a PPAP submission and the use of PPAP documentation methods are fully explained in the AIAG Production Part Approval Process manual. If you have any question regarding the need for a PPAP submission, contact your Bergstrom Supplier Quality Assurance (SQA) representative for guidance.

A Bergstrom Part Submission Warrant (PSW) showing either “Interim Approved” or “Approved” must be available prior to shipment of production parts.

Please note that as of 8/15/2011 the Bergstrom PSW has been modified to add a requirement for the IMDS number of the product to be included in the PPAP submission. (See Appendix C)

All parts evaluated for PPAP must be produced on 100% production-ready tooling, equipment and processes, including trained production personnel as detailed in the AIAG manual. Any exception to this rule must be approved by Bergstrom prior to PPAP submission and noted on the PSW form. Once the PSW is approved refer to the AIAG manual for customer notification and resubmission guidelines before any changes to product or process are made.

Bergstrom requires a Level III submission per AIAG guidelines on all PPAPs unless otherwise requested. When authorized to submit any other level it is expected that a complete Level 3 PPAP

will be retained at the supplier's location and made available upon request.

PPAP documentation should be e-mailed to quality@bergstrominc.com. Please include the Part number and the Purchase Order number in the subject line. All documents (~~except PSW~~) should be submitted in Adobe.pdf format. All features on the drawing including notes and Geometric Dimensioning and Tolerancing must be documented.

All products must be clearly labeled as follows:

PPAP Samples

Part Number:

Attention: Quality

Purchase Order Number:

At the time of PPAP submission the supplier shall meet all specified dimensional and performance requirements in accordance with the design record and associated documents. Any results that are outside specifications are cause for the supplier **NOT TO SUBMIT** the parts, documentation, and / or records. If the supplier is unable to meet any of the requirements, the customer shall be contacted. At a minimum, a Bergstrom Engineering approved Supplier Request for Material Review (SRMR) form must be available prior to PPAP submission for any part that does not fully comply with the blueprint. A copy of the approved SRMR form must be included in the PPAP submission.

Supplier performance for PPAP submissions will be tracked separately from the Supplier Scorecard. The expectation is for PPAP's to be submitted on time, 100% complete and approved first time.

Material Performance Test Data

The supplier is responsible for conducting and submitting all material and performance testing as specified on the print with the PPAP package. If the supplier is not capable of performing all tests, they can contract the service with a qualified source such as the sub-supplier or a third-party laboratory or test facility. The contracted source must be an accredited facility (ISO 17025).

The supplier is responsible for maintaining and submitting certificates of compliance (C of C) and updated test results upon request. If required the supplier will submit electronic copies to the Bergstrom Supplier Quality Engineer within 24 hours of a request, or prior to each shipment if required. Each document must contain traceability to a specific Bergstrom production shipment.

Quality Practices

It is required that control documents (PFLOW, PFMEA, and CPLANs) be treated as living documents. These documents must be updated continually to reflect every change to the supplier process.

Statistical Methods

Suppliers are expected to utilize appropriate statistical methods per the AIAG - Statistical Process Control manual. Statistical methods and data driven decision-making should be used for process control, continuous process improvement, corrective actions, evaluation of process capability and other applications.

The supplier may be asked to provide statistical data to verify process capability and/or control.

Classification of Characteristics

Bergstrom uses the term "Key Control Characteristic" (KCC) to identify and classify those

characteristics considered to be significant and requiring special attention. ***It should be understood that while most product characteristics are not identified as “Significant”, it is the supplier’s responsibility to ensure that all requirements of Purchase orders, drawings, referenced Engineering Specifications, etc., must be met at all times.***

There are three types of KCC’s:

- < C > – Critical: SPC data required to meet minimum process capability requirements, defined below, and track and reduce variation over time.
- < M > – Major: SPC data required to meet minimum process capability requirements, defined below, and track and reduce variation over time.
- < I > – Inspection: Documented inspection activity required. This classification is typically used for a customer or assembly related interface.

All KCC features shall be documented throughout the APQP process (PFLOW, PFMEA, and CPLAN) and associated prints and process instructions, and will be reviewed during the PPAP submission approval process.

All Critical and Major KCC’s must be monitored over time using statistical methods, and submitted to the Bergstrom SQA representative upon request. Prior to performing capability studies, measurement system analysis (MSA) – also known as Gage Repeatability and Reproducibility (GR&R) - must be performed on the measuring process to ensure it is capable, in order to ensure the process capability data is meaningful. Evidence of measurement process capability must be included in the PPAP submission. A minimum short-term process capability (Cpk) value of 1.67 (for Majors) and 2.0 (for Critical Features)–must be achieved at the time of initial process study and PPAP submission. Process capability must then be maintained and monitored over time (Ppk) as specified in the CPLAN. Process capability data must be available for review at any time.

Key Control Characteristic Long-Term (Ppk) Process Capability Requirements

Class	Acceptable MSA	Increased Inspection	Minimum process capability (Ppk)
< C >	Required	Required	1.67
< M >	Required	Required	1.33
< I >	Recommended	Required	1.00

For regulatory requirements such as FMVSS 302, material requirements such as specific resins, and other non-data / dimensional characteristics identified as KCC’s, proof of compliance such as a Material Data Sheet or Certificate of Compliance is required with the PPAP submission. It does not need to be sent with each shipment unless otherwise specified and no statistical monitoring is required.

Lot Control and Traceability

Suppliers are expected to have controls in place to provide product traceability through their process, from raw materials to the finished end product at the OEM. Each shipment to Bergstrom must be identified to provide lot traceability in the event of a quality spill.

Gauging

Suppliers are expected to utilize appropriate measurement system selection and evaluations per the AIAG – MSA manual. Determination of an acceptable gauge will be based on percent of tolerance. If any gauge is deemed “Unacceptable” it must be removed from service until the root cause can be determined and a corrective action implemented. If the gauge cannot be removed from service, the

product must be validated on a different (acceptable) gauge, or 100% sorted for function.

All measuring equipment used to determine product acceptability must be controlled, calibrated (at scheduled intervals), properly used and maintained.

Measurement system analysis must be performed on all measuring processes (inspection, measurement, test, & equipment) identified in the CPLAN as a KCC. Attribute as well as variable gauging must be included in the calibration and analysis system

Process Flow Charts

Suppliers are to begin the APQP process by establishing the PFLOW chart. The PFLOW can be used to document sources of variation (machines, material, methods, transportation, and manpower) in the manufacturing process. All process and transport steps beginning with receipt of raw material and continuing through to shipment to Bergstrom must be sequentially numbered. This number must carry over to the PFMEA and CPLAN to provide a link between all control documents.

Failure Mode and Effects Analysis Documents

After the process flow chart is established, a PFMEA must be developed. The PFMEA is used to evaluate the process and identify potential risks associated with each step. The method and format of the PFMEA and DFMEA are defined in the AIAG FMEA manual.

Each process step that is numbered and defined in the process flowchart must be addressed in the PFMEA and CPLAN. Each supplier is encouraged to set internal goals to drive continuous improvements over time. Rather than establishing an RPN value to react to, the supplier shall select the highest RPN and find ways to improve the process and reduce the RPN. Defect modes with a severity of "7" or higher must drive corrective action that will result in lower occurrence and detection numbers regardless of the RPN. A reduction in severity values can only be accomplished through an approved design change.

FMEAs (and subsequently CPLANs) must be evaluated and updated (minimum of a documented review) every time there is a quality problem. At a minimum the update should include a comment "reviewed due to "X" reason, no changes required" with a reviewer's name and date.

Control Plans

The supplier is expected to establish, control and document production methods that will result in products that meet all Bergstrom requirements. The control plan (CPLAN) focuses on the identification of process and product characteristics as they appear throughout the manufacturing process. The CPLAN is the key document for defining the type of controls, gauges, sample sizes, frequencies, documentation and reaction plans to be used for controlling the risks identified by the FMEA in each step of the process.

CPLANs shall be developed for the prototype, pre-launch and production APQP phases. The development, use and application of the CPLAN are explained in the AIAG Advanced Product Quality Planning manual.

At receiving, controls should be in place to ensure that incoming product is not used or processed until it has been verified as conforming to specified requirements.

In-process controls should be directed toward defect prevention methods such as Poka Yoke (error proofing). Detection controls such as Statistical Process Controls, limit samples and Process/set up verification can also be used.

Related quality records should clearly show whether the product has passed or failed. The required

inspections and/or tests and should identify the inspection authority responsible for release of the product.

Material Rejection and Corrective Actions (Supplier Corrective Action Request – SCAR/8D)

If non-conforming product(s) are detected at Bergstrom, the Quality department will place the material on hold and notify the supplier as soon as practical. Bergstrom will initiate a sort of defective product as deemed necessary to support production and apply sorting fees documented below. Suppliers are required to use disciplined problem-solving methods to investigate and eliminate the root causes of defective product. Bergstrom requires the use of the Bergstrom SCAR / 8D format. Supplier response times are measured from the issue time / date of the SCAR and are due within the time frames listed below. The supplier response must include the following:

- Implementation of Defect Containment for all suspect product (written response is due within 24 hours of notification)
 - Product may be on-site, in transit, at Bergstrom and/or at end customer.
- Implementation of Temporary Countermeasures. Written response is due within 5 calendar days.
 - Sorting or reworking contained product. Special product identification (individual part and package) is required.
 - Return Goods Authorization
 - Re-supply of Certified product. Individual part and / or package identification required.
 - Application for Deviation
- Determination of the root cause through use of a documented systematic approach. Each root cause assessment must address 1) How / why the problem occurred and 2) Why the problem was not detected at the supplier facility. Written response is due within 15 calendar days.
- Documented long term verification of the effectiveness of actions taken. Written response is due within 30 calendar days.
- Implementation of Permanent Corrective Actions requiring process changes may require PPAP submission and approval per AIAG guidelines. Changes cannot be made without prior approval.

A Supplier Corrective Action Request may be issued at Bergstrom's discretion. The primary intent of the SCAR is to drive the implementation of permanent countermeasures and heighten the awareness of repeatable quality issues. Bergstrom will hold suspect material for 10 business days while it is being evaluated. After 10 days the material may be returned to the supplier at their expense. If a supplier-generated Return Goods Authorization (RGA) is not available a Bergstrom-generated RGA will be documented on the return paperwork.

If deemed necessary by Bergstrom the following elements may also apply.

- Non-conformance charge of \$100 USD/Occurrence.
- SCAR processing fee of \$250 USD/Occurrence.
- Sorting, rework, and/or handling fees of \$75 USD/man-hrs for actual time associated with defective components or assemblies.
- Reimbursements of shipping and/or replacement expedite fees.
- Customer and / or Bergstrom assigned charges relating directly to poor quality, part replacement or line stoppage, may be deducted from accounts payable at the following rates.
 - Charges for a Bergstrom line down will be \$100 USD per hour. Line down time will be accumulated and reported monthly.
 - Customer / end user charges will be passed through at cost.
- Sorting / inspection and downtime will be tracked on the Supplier Scorecard and reported as "Cost of Poor Quality Index" and "Downtime Index".
- All SCARs that are not closed within 30 calendar days will result in a \$250.00 USD

reprocessing fee. Additional reprocessing fees will be assessed for each 30-day containment period thereafter.

SCAR / RGA issues may be appealed in writing to the Supplier Quality representative. All appeals must include the disciplined problem solving information and must be supported with data. Verbal appeals will not be recognized.

Receiving Containment (Verification of Effectiveness)

Suppliers whose products are rejected in the Bergstrom manufacturing process are subject to entering our Receiving Containment process. This serves as verification of effectiveness that the root cause of the issue has been found and that the corrective actions identified by the supplier appear to have been implemented as planned. In this event, the supplier will have their product inspected at Bergstrom Receiving Inspection. This heightened inspection will remain in place until the supplier has received approval for any Supplier Corrective Action Request, and delivered five (5) consecutive defect-free shipments. The supplier will remain financially responsible for any costs incurred by Bergstrom. Failure to contact and issue authorization to perform the inspection will result in a flat rate of \$500 USD per shipment charge to pay for heightened inspection until product is removed from Receiving Containment. Results of the inspection will be made available to the supplier upon request.

Third Party Sorting and Rework

Bergstrom understands that at times, the supplier may elect or be required to use a third party sort / rework/service company to support Bergstrom production. Expenses incurred for third party services are the responsibility of the supplier. Written work instructions must be provided by the supplier prior to starting any third party campaign. A copy of the work instructions and results of the campaign must be supplied to the Bergstrom SQA representative as an official record.

Documentation and Record Retention

Documentation must be developed and maintained to verify performance of all quality inspections, test, studies, plans and procedures. The data and related documentation should be distributed and used by the people responsible for or who may have input to the process.

The following data, records and procedures must be retained and kept for a minimum of one year.

- Statistical Quality Data
- In process and final Inspection and Test Results Data
- All Initial Sample Data
- Corrective Action reports
- Receiving Inspection Information
- Test Procedures
- CPLANs / PFMEA / PFLOW
- Quality Procedures and System Descriptions
- Written Inspection Instructions
- Test and Lab Instructions

These documents must be retained in such a manner that they can be made available to Bergstrom within 24 hours of request.

Change Approval

Often, engineering changes or deviations are needed during production to meet customer

requirements, improve quality or reduce cost. Reference the AIAG Production Part Approval Manual to determine which changes require PPAP submission. Suppliers must secure PPAP and Engineering approvals prior to implementing any change in production or product.

The supplier shall not make change(s) or deviation(s) to production-intent product or processes without prior written (approved PSW) or other approval from Bergstrom. The supplier will be held liable for all direct or indirect problems from any unapproved change.

The planning request for drawing changes, process changes or part deviation must be communicated in writing to the appropriate Bergstrom buyer. The request should explain, in detail, the requested change, the reason, the cost savings, benefits and a qualification plan. The qualification plan should provide detail on how the supplier will protect the quality, capacity / supply, and traceability during and after the change period. Sufficient time must be provided to evaluate the request and at no time should notification be made less than 30 days from planned implementation date. The approved PSW shall be used to confirm that the supplier can implement the requested change(s).

Labeling Standard

All supplier labels must meet the AIAG format specified in the Code 39 Bar Code Symbology Specification manual. In addition, labels must meet all Bergstrom specific requirements. Bergstrom specific requirements are included in Appendix B.

Kanban Suppliers

If a supplier is on Kanban, the quantity in the containers must meet the quantity (including allowable shortages or overages) of the Kanban release. Partial containers are not accepted unless pre-approved by the materials planner.

Delivery

Suppliers are required to achieve 100% on-time delivery (defined as required delivery date or up to two days early) at Bergstrom in the open quantity (lot size) specified per Purchase Order requirements. Suppliers delivering less than 100% on time may be required to submit a Supplier Corrective Action Request plan to improve and meet the requirement. Suppliers will be responsible for all costs incurred by Bergstrom as a result of late shipments. If the supplier is unable to ship product as scheduled, a late shipment notification via E-mail & phone communication must be sent to the supplier's designated Bergstrom expeditor / planner. This communication must indicate the reason for the delay, the target date for supplying the product, and a corrective action plan.

Shipping Guidelines

In any instance where Bergstrom is financially responsible for inbound freight charges, shipments must be made in accordance with Bergstrom's routing instructions. Any unapproved deviation from these instructions will result in a chargeback of excess costs to the supplier.

Packaging Guidelines

Suppliers must design packaging to enable product to be shipped in such a way as to prevent damage during shipment. Packaging plans should be submitted with the PPAP. Once approved the packaging method should not be changed. Although suppliers are required to ship parts in approved packaging only, there may be special circumstances where approved packaging is not available and alternate temporary packaging is required to meet order requirements. In these cases exceptions to the guidelines may be permitted for a limited (time / quantity) with prior written (SRMR) approval of the receiving location. All (including SRMR) revisions to current packaging must be tested and evaluated in cooperation with Bergstrom Materials Management.

Supplier initiated packaging or cost improvement is encouraged, but must be reviewed and approved through the PPAP system prior to implementation.

All packaging must meet or be within the footprint of the Standard Packaging specified in Appendix A and be received at Bergstrom in a condition to be handled and distributed. Cardboard shall not overhang the edges of the skids.

Preventive Maintenance

Suppliers should identify key process equipment and tooling and develop an effective documented preventive maintenance system including:

- A set of documented preventive maintenance instructions or all-inclusive procedure
- Availability of replacement parts for key process equipment.
- A Preventive Maintenance (PM) schedule
- Tracking and recall ability for scheduled PM events

Tooling Maintenance

All tools, manufacturing, and test equipment belonging to Bergstrom or its customers must be permanently marked with a Bergstrom asset number. These tools are to be used exclusively for Bergstrom products. Tools should be maintained in good working condition and a maintenance schedule established and followed. The supplier is required to provide an annual report of the tool condition and the total number of parts produced (including scrap and setup).

Supplier Performance Monitoring

Bergstrom uses a Supplier Score Card to track various performance parameters for each supplier. The Supplier Score Card is a comprehensive, cross-functional evaluation of a supplier's performance. This rating is used to facilitate development of our supply base and improve the quality of a supplier's products and processes. It is also used to determine future business opportunities with a supplier.

The Supplier Score Card will be generated monthly and forwarded to the supplier.

Bergstrom reserves the right to add / remove metrics as business needs warrant to effectively evaluate a supplier's ongoing performance.

Warranty

The supplied product is expected to perform free of manufacturing defects for the life of the Bergstrom standard warranty period. All warranty periods are based on the actual "in service" date provided by the end customers. Supplier warranty will cover any costs incurred by Bergstrom or its customers as a result of a failure of its supplied components during the warranty period including, but not limited to materials, labor and parts markups.

Suppliers are expected to sign a binding warranty agreement outlining the re-imbursement terms for warranty claims.

Bergstrom processes warranty claims that come in from the dealerships. Each dealer is paid up front and the parts are requested back if the supplier requires them. Bergstrom then debits the supplier for the claim and if requested sends the parts to the supplier. The supplier has 30 days to review the parts and send Bergstrom their findings for each part evaluated. Failure to dispute the claim within the allotted time will be deemed as an acceptance of the claim, resulting in a chargeback from Bergstrom for the full amount of the claim. If the supplier disputes responsibility for the claimed part, they are required to return the part and test results to Bergstrom for further evaluation. In the event the supplier evaluation results in a "no defect found" assessment, but the ultimate customer/dealer does not accept the findings, Bergstrom will debit the supplier for the claim cost. The supplier has the option to appeal the chargeback. If there are still uncertainties the supplier may be asked to come into Bergstrom and demonstrate their testing procedures.

Regulations and Compliance

Domestic and International Shipping Document and Invoicing Requirements

Domestic Suppliers must provide the Bergstrom Part Number, Purchase Order Number, Packing List Number and Country of Origin on all invoices, packing lists, and credit memos sent to Bergstrom. Failure to provide the proper information on these documents will cause a delay in processing and/or payment.

International vendors shipping to Bergstrom shall follow the US Custom's guidelines for invoices.

USA Customs Invoice Requirements:

In accordance with 19 CFR 141.86, the following information must appear on all commercial invoices submitted for Customs Clearance of imported merchandise.

- Complete name & address of the manufacturer

- Time, place and names of the buyer and seller
- Port of US entry
- Detailed description of the merchandise in English to include Bergstrom Part Number and HTSUS Code. Generic descriptions are not acceptable.
- Quantities in metric weights & measures, pieces, net and gross weights. If a classification requires bottle size, plate size, etc., this information must appear on the face of the invoice.
- Purchase Price of each item in currency of sale.
- Kind of currency (US Dollars, Japanese Yen, etc)
- Any other charges not included in the price of the goods, such as:
 - Freight
 - Dies, molds, tools and other assists
 - Insurance
 - Engineering
 - Packing Costs
 - Material supplied at less than fair market value
 - Testing Cost
 - Commissions
 - Other
- All rebates, drawbacks, and bounties, separately itemized, granted upon the exportation of merchandise.
- Country of Origin
- Discounts
- Name of responsible employee of the exporter who has knowledge, or who can obtain knowledge of the transaction.
- Terms of Sale: EXW, FCA, FOB, CFR, CIF, DDP, DAP, etc.
- Purchase Order Number
- All "free of charge" items must have a commercial invoice value listed for Customs Purposes.

Product Certification: Country of Origin and NAFTA

Bergstrom is required by law to maintain documentation to substantiate the country of origin for all products and parts thereof. In order to meet this obligation, the supplier must be able to supply a country of origin affidavit and/or a NAFTA Certificate of Origin (as applicable) upon request. See Appendix D for the certificate.

Conflict Minerals Statement

Suppliers are expected to ensure that parts and products supplied to Bergstrom are DRC conflict-free (do not contain metals derived from "conflict minerals"; tantalum, tin, gold, and /or tungsten, or derivatives such that they directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of the Congo or an adjoining country). Suppliers are to establish policies, due diligence frameworks, and management systems, consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, that are designed to accomplish this goal.

Annual Reporting Requirements

Certificate of Insurance

Bergstrom requires that a Certificate of Insurance be submitted on an annual basis evidencing coverage as outlined below.

The following requirements represent the minimum that should be provided:

General Liability

Limits of Liability:	\$1,000,000	Each Occurrence
	\$1,000,000	Personal and Advertising Injury
	\$2,000,000	General Aggregate
	\$2,000,000	Products/Completed Operations Aggregate

Coverage should be on an occurrence form
Blanket Contractual Liability should be provided
Bergstrom should be named as additional insured
Waiver of Subrogation in favor of Bergstrom

Insurance carrier should have a Best rating of no less than an A- VII.

Financial Statements

Bergstrom requires updated audited financial statements to be submitted on an annual basis.

Confidentiality

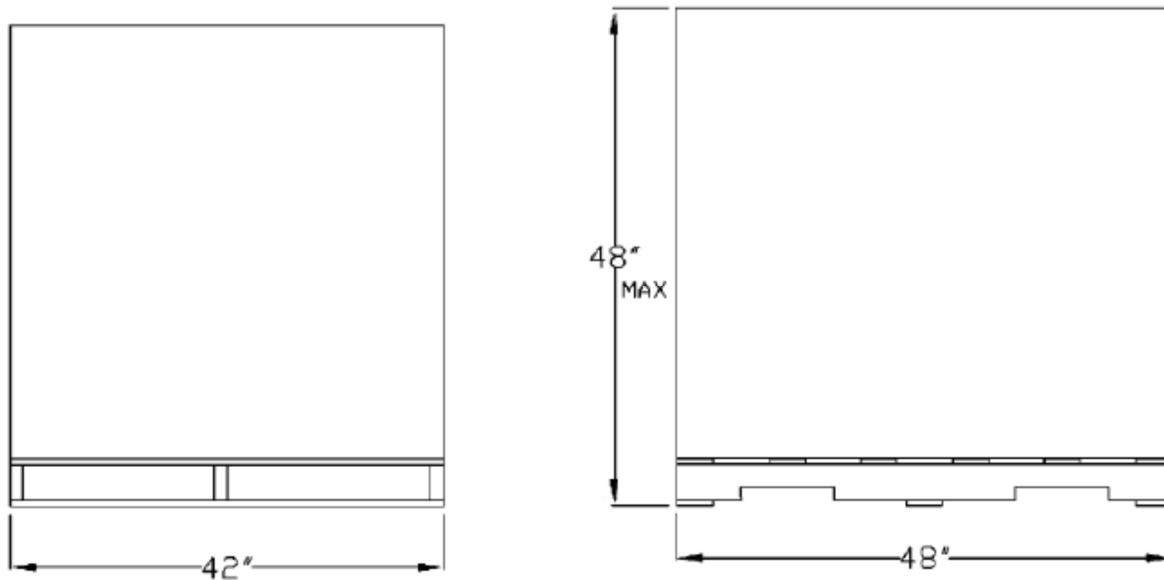
All information shared with suppliers is considered confidential. Disclosure of any Bergstrom confidential material, outside Bergstrom, will be considered grounds for immediate supplier dismissal. Suppliers are expected to sign a binding confidentiality agreement.

Appendix A

North American Standard Packaging

Page 1 of 2

Pallet and Container Dimensions



3 - 2 X 4 X 48" Stringers
6 - .5 X 3.5 X 42" Top Deck
3 - .5 X 3.5 X 42" Bottom Deck

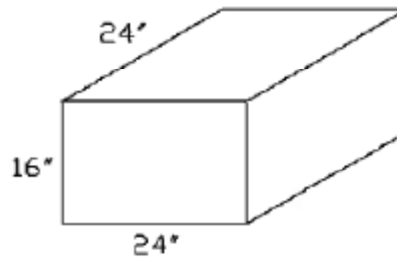
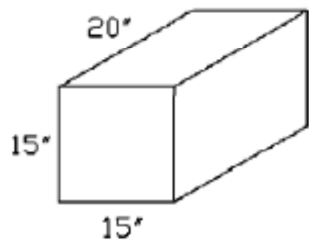
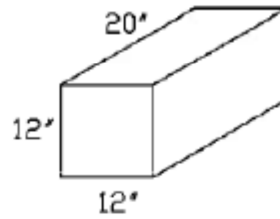
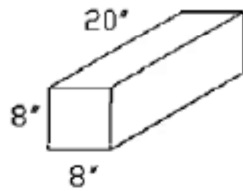
Note: Any supplier shipments received outside of the standard packaging dimensions and/or maximum container sizes, unless specifically approved in writing in advance by Bergstrom's Materials and Purchasing Departments, are subject to rejection and applicable fees.

Appendix A

North American Standard Packaging

Page 2 of 2

Container Sizes
(Maximum Dimensions)
30 Lbs. Maximum



Appendix B

North American Labeling Requirement Details

Page 1 of 2

Bergstrom Container Receiving Label

Part Number Title = PART NO. (P) Data = Bergstrom Part Number Data Identifier = P Max Length = 15 Char + 1 DI	Quantity Title = QUANTITY (Q) Data = # pieces in this container Data Identifier = Q Max Length = 7 Char + 1 DI	Packing List Title = PACK LIST (2S) Data = Packing List number Data Identifier = 2S Max Length = 8 Char + 2 DI	Bergstrom PO Title = PO NUMBER (K) Data = Bergstrom PO Number Data Identifier = K Max Length = 7 Char + 1 DI	Revision Number Title = Revision Data = Part Number Revision Level Data Identifier = 2P Max Length = 2 + 2 DI	Ship To Address Title = SHIP TO: Data = PO ship to address Max Length = 3 lines of 25 Char	Part Description Title = DESCRIPTION: Data = Part short description Max Length = 25 Char	Control Date Title = DATE Data = manufactured or ship date Max Length = 8 Char mm/dd/yy
Part NO. (P) 123456789012345 Rev (2P) 12				SHIP TO: Bergstrom 2390 Blackhawk Road Rockford, Illinois 61109 DESCRIPTION: 1234567890123456789012345 DATE: 2/6/09 SHIP FROM: Vendor Name Vendor Address City, State Zip Phone: 123-555-1493			
QUANTITY (Q) 12 PACK LIST (2S) 12345678 PO NUMBER (K) 1234567				Vendor Address Title = SHIP FROM Data = Vendor address / phone Max Length = 5 lines of 25 Char			
NOTE: NOT TO SCALE see attachment for specs							

Bergstrom, Inc 2390 Blackhawk Road Rockford, IL 61109 815.874.7821	This Label is to be used on a single Container holding one or more parts of a single part number being shipped to Bergstrom.	Note: Illustration is NOT actual size. See accompanying specification sheet for label block, text and bar code dimensions
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Revised: 11/10/2010

Bergstrom Container Kanban Label

Part Number Title = PART NO. (P) Data = Bergstrom Part Number Data Identifier = P Max Length = 15 Char + 1 DI	Quantity Title = QUANTITY (Q) Data = # pieces in this container Data Identifier = Q Max Length = 7 Char + 1 DI	Packing List Title = PACK LIST (2S) Data = Packing List number Data Identifier = 2S Max Length = 8 Char + 2 DI	Bergstrom Kanban Title = KANBAN NO (15K) Data = Bergstrom Kanban Num Data Identifier = 15K Max Length = 7 Char + 3 DI	Revision Number Title = Revision Data = Part Number Revision Level Data Identifier = 2P Max Length = 2 + 2 DI	Ship To Address Title = SHIP TO: Data = PO ship to address Max Length = 3 lines of 25 Char	Part Description Title = DESCRIPTION: Data = Part short description Max Length = 25 Char	Control Date Title = DATE Data = manufactured or ship date Max Length = 8 Char mm/dd/yy
Part NO. (P) 123456789012345 Rev (2P) 12				SHIP TO: Bergstrom 2390 Blackhawk Road Rockford, Illinois 61109 DESCRIPTION: 1234567890123456789012345 45 DATE: 9/26/11 SHIP FROM: Vendor Name Vendor Address City, State Zip Phone: 123-555-1493			
QUANTITY (Q) 12 PACK LIST (2S) 12345678 KANBAN NUMBER (15K) 1234567				Vendor Address Title = SHIP FROM Data = Vendor address / phone Max Length = 5 lines of 25 Char			
NOTE: NOT TO SCALE see attachment for specs							

Bergstrom, Inc 2390 Blackhawk Road Rockford, IL 61109 815.874.7821	This Label is to be used on a single Container holding one or more parts of a single part number being shipped to Bergstrom.	Note: Illustration is NOT actual size. See accompanying specification sheet for label block, text and bar code dimensions
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Appendix B

North American Labeling Requirement Details

Page 2 of 2

Bergstrom Receiving Label Requirements

9/30/2011

Bar Codes (Left Side of Label)

	Field	Data	Bar Code Title Line	Data Identifier	Maximum Length
1	Part Number	Bergstrom Part Number	Part No. Cust (P)	P	16 P + 15
2	Quantity	Number parts in container	Quantity (Q)	Q	8 Q + 7
3	Packing List	Packing List number appearing on Invoice	Packing List (2S)	2S	10 2S+8
4	Purchase Order or Kanban Number	Bergstrom PO Number or Bergstrom Kanban Number	PO No. (K) or Kanban Number (15K)	K or 15K	K + 7 or 15K + 7

Bar Code (Right Side of Label)

	Field	Data	Title Line		Maximum Length
5	Revision	Part Number Revision Level	Rev (2P)	2P	2P + 2

Human Readable (Right Side of Label)

	Field	Data	Title Line		Maximum Length
6	Bergstrom Information	Bergstrom, Inc 2390 Blackhawk Road Rockford, IL 61109	Ship To:		25
7	Description	Part Description	Description:		25
8	Date	Production or Ship Date mmddyy	Date:		8
9	Vendor Information	Name Address City, State Zip Code Phone Number	Ship From:		25

General Specifications

Labels	4" high and 6" wide minimum White with Black Print
Bar Code Blocks	Top two blocks must be 1.25" in height Lower two blocks must be .75" in height
Bar Code Title Lines	Printed in upper left corner of the bar code block Upper Case characters San Serif Arial or Helvetica font preferred
Bar Code Symbol	0.5 " height Left justified .25" Quiet zone on each end Contain Data Identifier (DI) Code 39 format
Packaging	On upper corner of adjacent sides on a box or pallet. On top and side of a drum. On a flat surface (not over a seam) Wrinkle-free. Not covered with tape, shrink wrap or bands.

Appendix C

Part Submission Warrant

Part Name _____ Customer Part Number _____ Rev _____
If applicable

Tool PO Number _____ Engineering Drawing _____
Change Level _____ Dated _____
Additional Engineering Changes _____ Dated _____
Shown on Drawing Number _____ Purchase Order No _____ Weight (kg). _____
Checking Aid Number _____ Engineering Change Level _____ Dated _____

ORGANIZATION MANUFACTURING INFORMATION

SUBMISSION INFORMATION

Organization Name _____ Supplier Code _____ Customer Name/Division _____
Street Address _____ Customer Contact _____
City _____ State _____ Zip _____ Application _____

Note: Does this part contain any restricted or reportable substances? ☐ Yes ☐ No
Are plastic parts identified with appropriate ISO marking codes? ☐ Yes ☐ No

IMDS ID #: _____

IMDS Acceptance Date: _____

REASON FOR SUBMISSION (check at least one)

- | | |
|---|--|
| <input type="checkbox"/> Initial Submission | <input type="checkbox"/> Change to Optional Construction of Material |
| <input type="checkbox"/> Engineering Change(s) | <input type="checkbox"/> Sub-Supplier or Material Source Change |
| <input type="checkbox"/> Tooling: Transfer, Replacement, Refurbishment, or Additional | <input type="checkbox"/> Change in Part Processing |
| <input type="checkbox"/> Correction of Discrepancy | <input type="checkbox"/> Parts Produced at Additional Location |
| <input type="checkbox"/> Tooling Inactive > than 1 year | <input type="checkbox"/> Other – Please specify below _____ |

SUBMISSION LEVEL (Check one)

- ☐ Level 1 – Warrant only (and for designated appearance items, and Appearance Approval Report) submitted to customer.
☐ Level 2 – Warrant with product samples and limited supporting data submitted to customer
☐ Level 3 – Warrant with product samples and complete supporting data submitted to customer.
☐ Level 4 – Warrant and other requirements as defined by customer.

(check) ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 ☐ 11 ☐ 12 ☐ 13 ☐ 14 ☐ 15 ☐ 16 ☐ 17 ☐ 18 ☐ 19

- ☐ Level 5 – Warrant with product samples and complete supporting data reviewed at supplier's manufacturing location.

DECLARATION

I affirm that the samples represented by this certification are representative of our parts have been made to the applicable customer drawings and specifications, and are made from the specified materials on regular production tooling with no operations other than the regular production process. I also certify that documented evidence of such compliance is on file and available for review.

EXPLANATION/COMMENTS _____

List Molds / Cavities / Production Processes _____

Organization Supplier Authorized Signature _____ Date _____

Print Name _____

Phone No. _____

Fax _____

Title _____

Email _____

FOR CUSTOMER USE ONLY

Part Warrant Disposition: ☐ Approved ☐ Rejected
☐ Interim Approved

Comment:

Customer Signature _____ Date _____

Print Name _____

Appendix D

Country of Origin Affidavit

I, _____, declare that the article(s) supplied to Bergstrom Inc. are manufactured by _____ (name of manufacturer) located in _____ (city and state/province/country). The country of origin¹ of the article(s) is _____ (2-digit ISO country code).

If the article(s) supplied to Bergstrom Inc. are manufactured in various locations/countries, the country of origin is noted below²:

<i>Bergstrom Part Number</i>	<i>Bergstrom Description</i>	<i>Country of Origin</i>

By signing below, I confirm the information provided is true and accurate to the best of my knowledge. I understand it is my responsibility to contact Bergstrom Inc. should country of origin change on the article(s) supplied.

Signature: _____

Date: _____

Title/Capacity: _____

Company: _____

Contact Phone Number: _____

¹Per 19 CFR 134.1(b), "Country of origin" means the country of manufacture, production, or growth of any article of foreign origin entering the United States. Further work or material added to an article in another country must effect a substantial transformation in order to render such other country the "country of origin" within the meaning of this part; however, for a good of a NAFTA country, the NAFTA Marking Rules will determine the country of origin. 19 CFR 102, Rules of Origin, which define country of origin of goods from a NAFTA country, state that "country of origin is the country in which (1) the good is wholly obtained or produced; or (2) The good is produced exclusively from domestic materials; or (2) Each foreign material incorporated in that good undergoes an applicable change in tariff classification set out in 102.20 and satisfies any other applicable requirements of that section, and all other applicable requirements of these rules are satisfied."

² In the event additional space is needed to confirm various countries of origin, please provide in an attachment to this affidavit.