



## 01 – Introduction

Bergstrom Inc. and all of its subsidiary companies and affiliates (hereinafter “Bergstrom”) is committed to being a positive force in the world around us. We strive to help and grow with our customers, our business partners, and the communities for which we belong.

Our goal is to take the simple approach of “walk the talk” in a data driven, process orientated, continuously improving manner.

In support of this goal, this manual documents Bergstrom’s expectations in the business dealings with some of our most important business partners, our suppliers.

We ask for your assistance to not only adhere to and meet the goals and parameters documented within, but to help us continuously improve upon these and raise this bar collectively.



**02 - Supplier Minimum Business Requirements**

- **Insurance**

All suppliers to Bergstrom or any Bergstrom affiliate shall comply with the requirements set forth below. Compliance is also required by all suppliers, sub-suppliers, contractors and subcontractors of any tier. No work of any kind shall be commenced for Bergstrom until all insurance requirements contained in herein have been complied with, and all insurance required shall be maintained until all of supplier’s obligations to Bergstrom have been fulfilled.

- Upon Bergstrom’s request, Seller shall provide Bergstrom with a certificate of insurance evidencing the insurance coverage specified herein and naming Bergstrom as an additional insured with respect to any work performed or goods supplied to Bergstrom.
- Supplier shall provide, without exception, at least thirty (30) days’ written notice prior to any cancellation of insurance unless for non-payment of premium. For non-payment of premium cancellations, Seller shall provide ten (10) days’ written notice of cancellation.
- The insurance afforded to Bergstrom through the additional insured endorsement shall be the Primary insurance and that any other insurance carried by Bergstrom shall be excess of all other insurance carried by supplier and shall not contribute with the supplier’s insurance.
- Supplier waives any right of recovery and will cause their insurers to waive their rights of subrogation under all insurance policies required.
- All insurance policies must be written by companies with a current Best’s rating (as set forth in the most current edition of Best’s Key Rating Guide, published by A.M. Best and Company), of A-VIII or better or equivalent rating of another rating agency.
- Coverage should be on an occurrence form and blanket Contractual Liability should be included. The following minimum insurance coverage and limits are required. Where insurance coverage and/or limits are mandated by local law or statute, local requirements apply subject to the minimum limits set forth below:

Type of Insurance	Minimum Limits
Commercial General Liability (“CGL”)*, insurance (Occurrence Coverage) for bodily injury and property damage arising from premises, operations, personal injury, products / completed operations, and contractual liability covering the indemnity provision as set forth in the Indemnification section.	\$3,000,000 Per Occurrence, General Aggregate, Product and Completed Operations Aggregate, Personal & Advertising Injury
Automobile Liability (“Auto”) covering all autos used in connection with the work performed	\$1,000,000 combined single limit covering property damage and bodily injury
Workers’ Compensation	Statutory

- **Confidentiality**

All information shared by Bergstrom with suppliers, including without limitation, product specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, and/or which otherwise constitutes trade secrets or confidential and proprietary information relating to Bergstrom's business, products, services, or customers, is confidential. Supplier agrees to maintain in strict confidence any and all such confidential information which is not already in the public domain (the "Confidential Information"), whether disclosed orally or in written, electronic or other form or media, and whether or not marked as "Confidential" and to use such confidential information strictly and solely for the limited purpose of performing its supply obligations.

Disclosure of any Bergstrom confidential material outside Bergstrom without Bergstrom's advance written consent will be considered grounds for immediate supplier dismissal.

Suppliers are expected to sign a binding confidentiality and nondisclosure agreement if requested by Bergstrom.

- **Regulatory Requirements**

Domestic and International Shipping Document and Invoicing Requirements

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.
    - Unless otherwise specified on a Bergstrom Purchase Order, terms of sale will be FCA (Incoterms 2020) Port of Export, at which time title will also transfer
  - Purchase Order Number
  - All “free of charge” items must have a commercial invoice value listed for Customs Purposes.
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- Product Certification: Country of Origin and Free Trade Agreement (FTA).

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 Free Trade Agreement (FTA) Certificate of Origin (as applicable) upon request pursuant to the rules and regulations of U.S. Customs and Border Protection (found at 19 U.S.C. § 1304 and the associated regulations in 19 C.F.R. Parts 102 and 134) and the applicable Free Trade Agreement as implemented in the General Notes to the *Harmonized Tariff Schedule to the United States* (HTSUS). See Appendix D for the form of certificate that should be provided.

### Conflict Minerals Statement

Suppliers must 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.

- **Proposition 65**

All suppliers must ensure that all products provided to Bergstrom comply with California's Proposition 65 (the California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.5 et seq.) Proposition 65 prohibits a business from exposing individuals in California to chemicals known to cause cancer or reproductive toxicity without first giving "clear and reasonable warning," unless the business can prove that the level of exposure is not significant. More information about Proposition 65 can be found online at <https://www.oehha.ca.gov>. and <https://oehha.ca.gov/proposition-65> .

For products that require a Proposition 65 warning, suppliers must either include the warning on the product label, or inform Bergstrom in writing.

Bergstrom will not provide warning identifications on products on behalf of the suppliers indicating product as being in compliance or not in compliance with Proposition 65.

If there is no warning label on the product and Bergstrom is not notified that the product does not comply with Proposition 65, the assumption will be that products are in compliance.

- **Forced Labor**

All suppliers confirm that all products will be manufactured, produced, labeled, furnished, and delivered to Bergstrom in full and complete compliance with all applicable laws and regulations, including those related to forced and child labor, as defined by the International Labor Organization Forced Labour Convention, 1930 (No. 29). Additionally, Supplier represents that it is compliant with the UK Modern Slavery Act 2015, and other similar requirements, including those enforced by U.S. Customs and Border Protection. All suppliers must furnish information that Bergstrom reasonably requests to support this representation, including written certifications, procurement and sourcing records, payment records, employment records, and employee time and wage records.

All suppliers must further ensure their suppliers manufacture or procure all materials or components provided to Bergstrom's supplier in compliance with all applicable laws and regulations, including but not limited to those related to forced and child labor. All suppliers will require their suppliers to provide evidence of compliance with all applicable laws as soon as possible upon Bergstrom's request.

- **Tariff**

Tariffs are the responsibility of the importer of record. Upon request, Bergstrom may require the supplier to provide detailed valuation information for all products being supplied to Bergstrom.

- **HTS**

US Customs and Border Protection (CBP) Regulations require Bergstrom to classify all products that are imported using the HTSUS. In order for Bergstrom to assign the correct HTS Classification, we may require specific information from suppliers pertaining to the characteristics of the material(s) provided or contained in the goods supplied to Bergstrom. It is important that the information requested be provided immediately to avoid any delays with Customs.

The Free Trade Agreement (FTA) certificate contains the HTS Code. If an incorrect HTS Code is found on a Free Trade Agreement (FTA) certificate, Bergstrom will contact the supplier and request that the HTS Code be changed. In these requests, Bergstrom will include the reasoning why we believe the code should be different, and will ask for cooperation from the supplier to determine the most accurate tariff classification for the parts and to update the FTA certificate qualification. Incorrect tariff codes on the Free Trade Agreement (FTA) Certificate can render it invalid, leading to a situation where the Free Trade Agreement (FTA) Preferential Duty rate will not be applied to a shipment.

### **03 - Intellectual Property and Intellectual Property Rights**

In this section:

- “Products” are defined as: the parts purchased by Bergstrom from Supplier
- Supplier warrants and shall ensure that the Products (and their sale or use, alone or in combination) do not infringe any patents, trademarks, or other intellectual property rights of any third-party, and agrees to defend, indemnify, and hold harmless Bergstrom, and anyone selling or using any of the Products, against all losses, damages, liability, costs, expenses, and legal fees incurred by reason of any actual infringement or alleged infringement or other alleged wrongful use of such intellectual property.
- All rights in materials, including but not limited to designs, drawings, specifications, software, patents, trade secrets, other intellectual property (whether patentable or not), and other technical material or documents, including those in electronic form, that are acquired or developed by Bergstrom or Supplier that existed prior to the Products being purchased from Supplier (“Pre-Existing Work”) shall remain the sole property of the Party providing the Pre-Existing Work and nothing herein shall explicitly or implicitly convey an ownership interest in such Pre-Existing Work to the other Party.
- With respect to any Products purchased by Bergstrom from Supplier, Supplier hereby grants Bergstrom and its customers a paid-up royalty-free non-exclusive license to use, reproduce, and modify Supplier’s Pre-Existing Work as necessary or otherwise provided under the parties’ relevant Agreement for the purpose of developing the Products for commercial vehicles or equipment designed, manufactured, and assembled by Bergstrom.
- To the extent necessary to supply the Products to Bergstrom, Bergstrom shall grant to Supplier a non-exclusive license to use, reproduce, and modify Bergstrom’s Pre-Existing Work solely for the production and supply of Products to Bergstrom or Third-Party Designees (as specified by Bergstrom) and may not use Bergstrom’s Pre-Existing Work for the production and/or supply of any goods or services to any other party without advance written consent from Bergstrom.
- Bergstrom and Supplier agree that if any modifications, improvements, new developments, or other intellectual property are developed, in whole or in part, by or on behalf of Bergstrom or Supplier or both relating to the Products ( hereinafter be referred to as “Improvements”), Bergstrom shall own, and Supplier hereby grants to Bergstrom, all right, title, and interest in and to such Improvements including all intellectual property rights arising therefrom.

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#### 04 - Quality Procedures

- Supplier Selection, Monitoring and Development

- The path to becoming a supply partner to Bergstrom includes an assessment process to ensure the expectations are understood between the organizations.
- Registration
  - Production Processes: Standards exist to communicate best practices and provide a common foundation to build on. Bergstrom recognizes the benefit of working with companies that maintain a robust business management system such as those registered to IATF16949. Business Management Systems certified to ISO9001 through a third party bearing the accreditation mark of a recognized IAF MLA (International Accreditation Forum Multilateral Recognition Arrangement) is the initial minimum acceptable level of development unless otherwise authorized. A copy of your current certificate of registration is required to be on file at Bergstrom to be eligible for new business. 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 3<sup>rd</sup> party registered status.
  - Managing risk to the environment and interested parties is very critical to long term success. Bergstrom prefers suppliers with ISO 14001 accreditation as a common platform to build a solid environmentally conscious business.
  - Bergstrom reserves the right to perform Quality System Assessments for new and existing suppliers.
  - Test and Development Labs must maintain ISO17025 certification through a third party bearing the accreditation mark of a recognized IAF MLA (International Accreditation Forum Multilateral Recognition Arrangement).
    - Additional References:
      - International Organization for Standardization -[www.iso.ch](http://www.iso.ch)
      - International Automotive Task Force -[www.iatf.org](http://www.iatf.org)

- Production Part Approval Process (PPAP)



- PPAP is the industry standard for defining the production part approval process to ensure engineering design record and specification requirements are consistently met. Bergstrom and our customers require adherence to AIAG standards for production part approval.
- As a supplier to Bergstrom you are required to comply with the applicable PPAP submittal process as specified on the Purchase Order. Conditions requiring a PPAP submission and use of PPAP documentation methods are explained in the AIAG Production Part Approval Process manual. If you have any question regarding the need for a PPAP submission, contact your Bergstrom Buyer or Supplier Quality (SQ) representative for guidance. All features on the drawing including notes, references to external specifications and Geometric Dimensioning and Tolerances must be documented and verified in the PPAP submission. If copies or clarification of specifications are needed the supplier should contact the Bergstrom Buyer for clarification prior to quotation.
- A Bergstrom Part Submission Warrant (PSW) showing either “Interim Approved” or “Approved” must be on file prior to shipment of production parts. PPAP documentation should be e-mailed to [quality@bergstrominc.com](mailto:quality@bergstrominc.com). Please include the Part Number and the Purchase Order Number in the subject line. All documents should be submitted in Adobe.pdf format.
  - 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 must meet all specified dimensional and performance requirements in accordance with the design record and associated documents. This includes any notes and/or specifications/standards listed on the drawing. 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, Bergstrom must be contacted. At a minimum, a Bergstrom Engineering approved Supplier Deviation form must be approved prior to PPAP submission for any part that does not fully comply with the drawing requirements. A copy of the approved Deviation form must be included in the PPAP submission.
  - 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. Supplier will submit electronic copies to Bergstrom Supplier Quality within 24 hours of a request, or prior to each shipment if required. Each document must contain traceability to a specific Bergstrom production shipment.



- Supplier performance for PPAP submissions will be tracked separately from the Supplier Scorecard. The expectation is for PPAP's to be submitted on time and 100% complete such that they can be approved first time.
- 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](http://www.mdssystem.com). IMDS submissions should be submitted to Bergstrom, ID# 75647.
- **Nonconforming Product and Packaging**
  - For SUPPLIER NONCONFORMANCE the preferred corrective action response format is the Bergstrom Supplier Corrective Action Response (SCAR) form. This form provides Office Integration (OI) capabilities with Bergstrom's Business Management System ensuring histories are maintained with greater accuracy.
  - 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. Each shipment to Bergstrom must be identified ***by means such as lot number, unique serial number / bar code label, date code, etc.,*** to provide lot traceability in the event of a quality spill.
  - Material Rejection and Corrective Actions (Supplier Corrective Action Request – SCAR/8D)
    - If non-conforming product(s) from Supplier 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 of notification.
      - 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.
- 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 of first notification.
- Documented long term verification of the effectiveness of actions taken. Written response is due within 30 calendar days of first notification.
- Implementation of Permanent Corrective Actions requiring process changes may require PPAP submission and approval per AIAG guidelines. Changes cannot be made without prior approval from Bergstrom.
- A Supplier Corrective Action Request may be issued at Bergstrom's discretion. The primary intent of the SCAR is to establish a common method of communication. This ensures proper understanding of the root cause(s) of the problem, drives the implementation of permanent countermeasures, and heightens 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.
- Debits that may result from Nonconformances:
  - Non-conformance charge of \$100 USD/Occurrence. This is to cover the resource time required to process a nonconformance.
  - SCAR processing fee of \$250 USD/Occurrence. SCAR processing requires additional labor to support the containment, review and validation of corrective actions.
  - 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/man-hrs.
    - Customer / end user charges will be passed through at cost.
  - All SCARs that are not closed within 30 calendar days may result in a \$250.00 USD reprocessing fee if progress is not evident. 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 or Buyer. 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 have been found to be defective may be 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 and proven effective. In this process, supplier product will be inspected for specific characteristics at Bergstrom Receiving Inspection. This inspection will remain in place until the supplier has received approval for any Supplier Corrective Action Request, and has delivered a minimum of three consecutive defect-free shipments. Depending on the inspection time required and the results of the inspections, the supplier may be held financially responsible for any costs incurred by Bergstrom. 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 Supplier Quality representative as an official record.
- **Continuous improvement**
  - Part of the quality philosophy of Bergstrom and a fundamental principle of ISO 9001 and IATF16949. 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.

**05 - Technical Requirements**

- Hierarchy of Technical Requirements
  - Bergstrom drawings and print specifications are the governing document for the requirements between Bergstrom and the supplier. Drawings may contain additional references to Bergstrom Engineering Specifications (ES's) or other industry standards or customer specifications. It is expected that the supplier will comply with all stated requirements and external references as stated on the Bergstrom print. If there is a conflict between the Bergstrom print and an external specification or referenced standard, the Bergstrom print will remain the governing document. If supplier has any questions or concern about the conflict, contact the Bergstrom Buyer or Supplier Quality (SQ) representative for guidance.

- Interpreting Key Characteristic

**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 is the supplier’s responsibility to ensure that all requirements of Purchase Orders, drawings, referenced Engineering Specifications, etc., are 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 *or for characteristics determined by Bergstrom to be “Pass Through Characteristics”*

All KCC features must be documented throughout the Advanced Product Quality Planning (APQP) process (including 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 Supplier Quality 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 (***copy of the study***) must be included in the PPAP submission.

A minimum short-term process capability (Cpk) value of 2.0 (for Critical characteristics) and 1.67 (for Majors) and must be demonstrated at the time of initial process study and PPAP submission. **As process variables are introduced over time, process capability may drop slightly but** must then be maintained and monitored over time (Ppk) **at or above the levels specified in the table below.** 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 specified 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.

- **Product –Related Software or Product with Embedded Software**

The supplier shall implement and maintain a process for software quality assurance for their products. A software development assessment methodology shall be utilized to assess the supplier's software development process. Using prioritization based on risk and potential impact to the customer the supplier shall retain documented information of a software development capacity self-assessment.

**06 - Labeling and Packaging Requirements**

- **Labeling**  
**Bergstrom Receiving Label Requirements**

**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

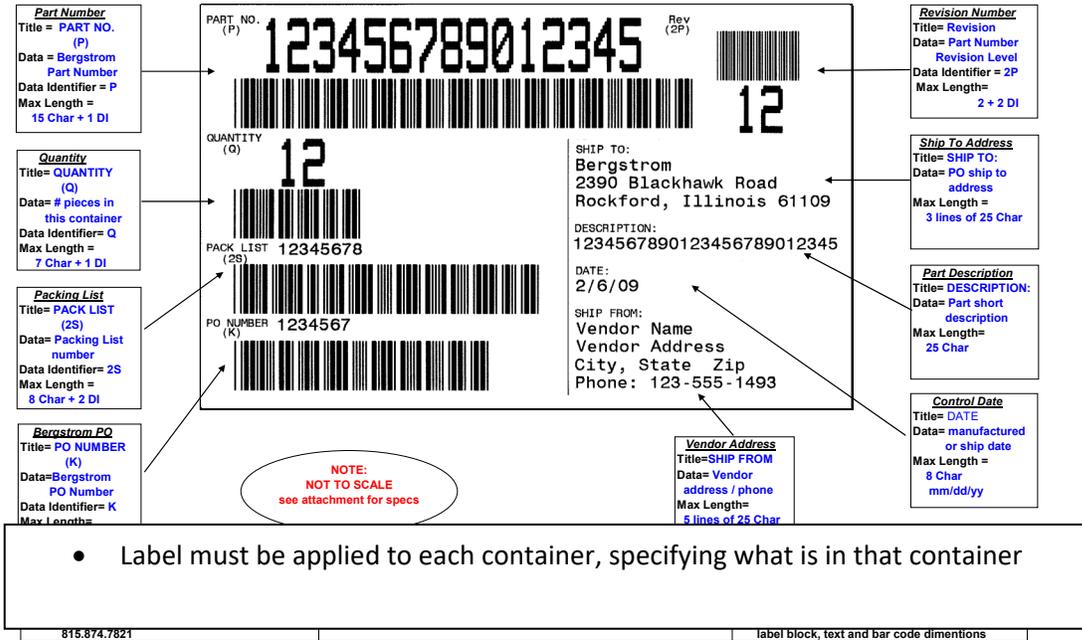
**Human Readable (Right Side of Label)**

	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 mmdyy	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.

### 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 = 8 Char + 2 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

**Vendor Address**  
Title = SHIP FROM  
Data = Vendor address / phone  
Max Length = 5 lines of 25 Char

**NOTE:**  
NOT TO SCALE  
see attachment for specs

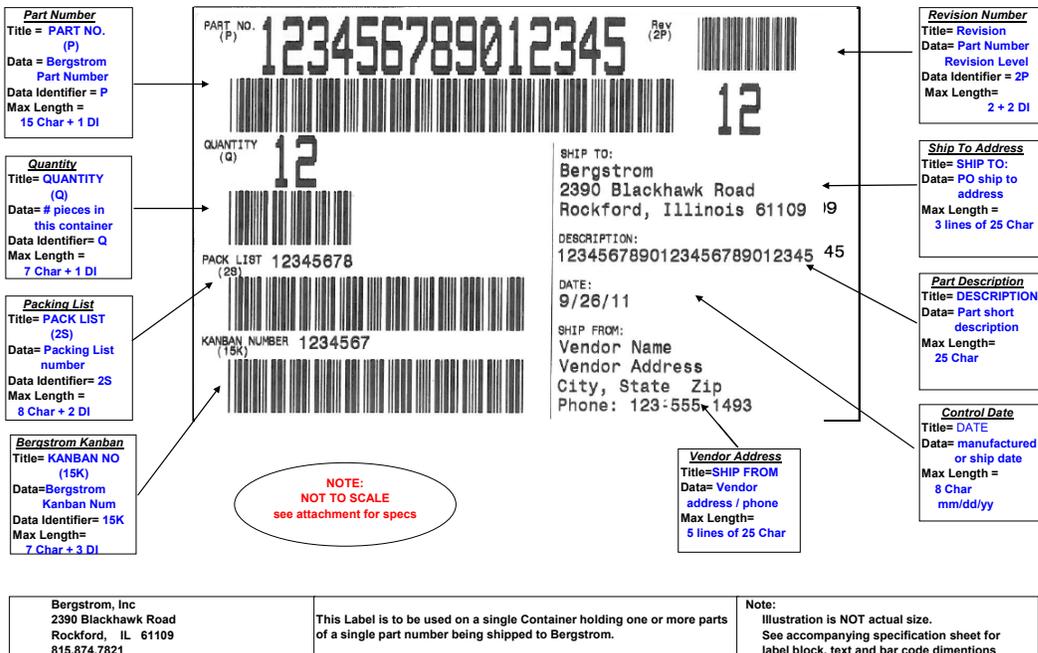
815.874.7821

label block, text and bar code dimensions

- Label must be applied to each container, specifying what is in that container

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

**Vendor Address**  
Title = SHIP FROM  
Data = Vendor address / phone  
Max Length = 5 lines of 25 Char

**NOTE:**  
NOT TO SCALE  
see attachment for specs

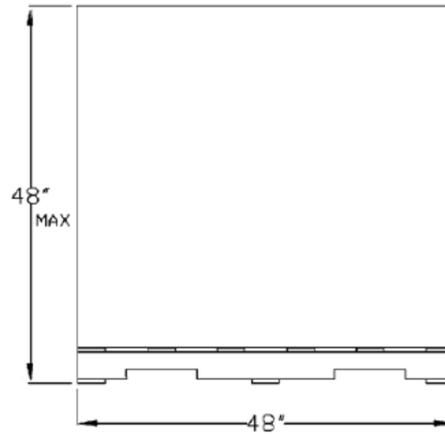
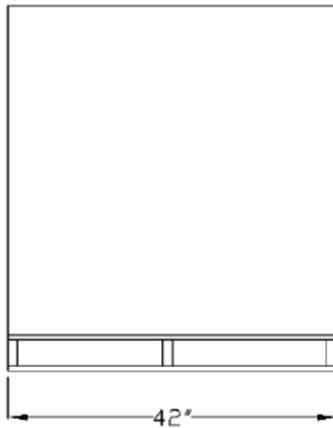
Bergstrom, Inc  
2390 Blackhawk Road  
Rockford, IL 61109  
815.874.7821

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

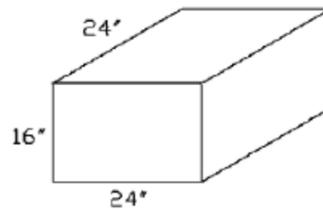
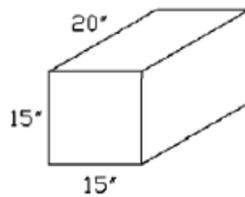
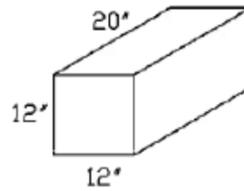
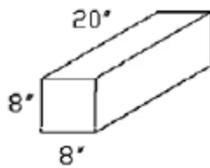
- **Packaging**

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

Container Sizes  
(Maximum Dimensions)  
30 Lbs. Maximum



**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.

#### Packing Slip Requirements

- Packing slips must include the following information from our Purchase Order
  - Bergstrom Purchase Order number
  - Bergstrom Part number
  - Quantity shipped
  - Bergstrom Revision
  
- Imported Wood Packaging Material (WPM)-(ISPM 15 Stamped wood products)

It's important you understand customs requirements for wood packaging material (WPM) entering the United States. Regulations require non-conforming WPM to be immediately exported or fumigated. This includes WPM that does not have the **ISPM 15 stamp**, is inappropriately marked, or marked but found to be infested with live wood-boring pests.

WPM is defined as wood or wood products (excluding paper products) used in supporting, protecting, or carrying a commodity (includes dunnage). This includes wooden bins, boxes, bracing, cable spools, cases, crates, load boards, pallets, pallet collars, and skids.

All costs associated with the use of non-conforming WPM, including the cost of fumigation, delays in production, expedited shipments, are the responsibility of the importer. Bergstrom will charge all costs associated with the shipment to the original shipper/supplier. Any unmarked wood is considered foreign and untreated, and thereby noncompliant. **There are no other options than to export the non-compliant pallet (or entire container as deemed by U.S. Customs and Border Protection). No exception exists for this scenario and the costs related to the separation and re-exportation of this pallet are the responsibility of the importer.** As previously stated, Bergstrom will charge all costs associated with non-compliant shipment back to the original shipper/supplier.

Bergstrom recommends the following:

- Verify that your WPM provider is ISPM 15 compliant and accredited.
- Use alternatives to WPM:
  - Plastic or metal pallets
  - Pallets and crating manufactured from manufactured wood products (OSB, Plywood, Cardboard)

## 07 - Planning and Replenishment

### Demand File

Bergstrom provides planning information weekly to suppliers via a Demand file. This file allows suppliers to see planned demand for up to 48 weeks. This file is for planning purposes and is to be used in conjunction with the Open Order report and the Kanban Flat File.

		1			2			3			4						
Market Group	Focus Factory	Item Number	Branch	Description	Paint Code	Vendor	MPF	Planner	Safety Stock	Qty Type	10/5/2020	10/8/2020	10/15/2020	10/22/2020	10/29/2020	11/5/2020	11/12/2020
100	JD	1001016353	20500	DOOR, FLOOR		201390	SK	EVERN, TAMI	140	+ Planned Orders	100		100	200	200	200	200
100	JD	1001021366	20500	CASE, BLOWER TOP		201390	SK	EVERN, TAMI	140	+ Planned Orders		60	240	180	180	180	180
100	JD	1001021367	20500	CASE, BLOWER BOTTOM		201390	SK	EVERN, TAMI	140	+ Planned Orders	60	60	240	180	180	180	180
100	JD	1001029635	20500	COVER, HEATER		201390	SK	EVERN, TAMI	0	+ Planned Orders			240	180	180	180	180
100	JD	1001031632	20500	DOOR, BLEND		201390	SK	EVERN, TAMI	140	+ Planned Orders	16	208	224	192	176	192	176
100	JD	1001037131	20500	DOOR, OVERMOLDED BARREL		201390	SK	EVERN, TAMI	140	+ Planned Orders	176	16	192	192	176	176	176
100	JD	1001037704	20500	COVER, RESISTOR		201390	SK	EVERN, TAMI	140	+ Planned Orders		76	228	152	152	228	152
100	JD	1001038084	20500	HOUSING, AIR RETURN UPPER		201390	SK	EVERN, TAMI	168	+ Planned Orders	150	120	150	180	180	180	180
100	JD	1001038085	20500	HOUSING, AIR RETURN LOWER		201390	SK	EVERN, TAMI	168	+ Planned Orders	192	120	168	168	184	176	184
100	JD	1001043389	20500	HOUSING, MOTOR		201390	SK	EVERN, TAMI	140	+ Planned Orders	24	192	216	192	192	192	168
100	JD	1001049161	20500	CLIP, DUCT RETAINER		201390	SK	EVERN, TAMI	336	+ Planned Orders		375	375	375	375	375	375
100	JD	1001275747	20500	COVER, FILTER		201390	SK	EVERN, TAMI	7	+ Planned Orders	140		200	160	160	220	100
100	JD	1001491859	20500	RETAINER, EVAPORATOR		201390	SK	EVERN, TAMI	280	+ Planned Orders		273	455	364	364	364	364
100	JD	1002522055	20500	COVER, EVAPORATOR		201390	SK	EVERN, TAMI	140	+ Planned Orders	51	204	204	204	204	153	204
200	JD	1000432174	20500	DOOR, BLEND		201390	DT	EVERN, TAMI	0	+ Planned Orders							
200	JD	1000476278	20500	COVER, EVAPORATOR SERVICE		201390	DS	EVERN, TAMI	0	+ Planned Orders							
200	OS	589710	20500	YOKE FAMILY MOLD 69 70		201390	VV	ARDNER, SCOTT	500	+ Planned Orders							
600	MK	540012	20500	ASSY_YOKE		201390		ARDNER, SCOTT	153	+ Planned Orders							
600	MK	540048	20500	ADAPTER, ACTUATOR		201390	VV	ARDNER, SCOTT	0	+ Planned Orders							

### Important information:

- 1) Item Number – This is the Bergstrom Part number.
- 2) MPF – Master Planning Family, this will show if an item is on Kanban (SSK), Supplier Schedule (SS), or discrete PO ordered (all other MPF)
- 3) Planner – Bergstrom’s Material Planner responsible for the item
- 4) Weekly demand information

### What’s expected in return:

- 1) Supplier to review demand file information on a weekly basis.
- 2) Contact Bergstrom Material Planner with any questions or issues meeting the proposed demand
- 3) Supplier must order components at their full lead-time. Vendor must maintain a continual supply of the finished goods. Please advise your Buyer if you need a letter of Intent (LOI) to secure the purchase the demand file will not cover.

**Kanban Flat File**

Bergstrom supplies a daily Kanban Flat File for any items on Kanban with a supplier. This file communicates any new Kanban releases from the prior day.

1	2	3	4	5									
Ship To Number	Order Number	Line Number	Or Ty	2nd Item Number	I O Rev	Quantity Ordered	Kanban D 1	Request Date	Address Number	Unit Cost	Original Order No	Supplier Item Number	Location
20500	20473344	1	OJ	1001465671	6	8	49572	10/20/2020	201390	2.198	3879		REC01
20500	20473345	1	OJ	1001465671	6	8	49210	10/20/2020	201390	2.198	3879		REC01
20500	20473346	1	OJ	1001468130	5	28	43469	10/20/2020	201390	2.645	3443		REC01
20500	20473347	1	OJ	1001468129	5	8	49808	10/20/2020	201390	2.939	3442		REC01
20500	20473348	1	OJ	1001468129	5	8	49419	10/20/2020	201390	2.939	3442		REC01
20500	20473349	1	OJ	1001038085	6	8	46823	10/14/2020	201390	5.646	3655		REC01
20500	20473350	1	OJ	1001038085	6	8	44683	10/14/2020	201390	5.646	3655		REC01
20500	20473351	1	OJ	1001394942	8	42	46271	10/20/2020	201390	3.994	3447		REC01
20500	20473352	1	OJ	1001394942	8	42	49198	10/20/2020	201390	3.994	3447		REC01
20500	20473353	1	OJ	1001468129	5	8	49150	10/20/2020	201390	2.939	3442		REC01
20500	20473354	1	OJ	1001031632	4	16	44240	10/14/2020	201390	2.614	3644		REC01
20500	20473355	1	OJ	1001403459	4	24	49508	10/20/2020	201390	3.244	3438		REC01
20500	20473356	1	OJ	1001037131	6	16	44123	10/14/2020	201390	2.681	3668		REC01
20500	20473357	1	OJ	1001031632	4	16	44204	10/14/2020	201390	2.614	3644		REC01
20500	20473398	1	OJ	1001043389	5	24	47023	10/14/2020	201390	1.178	3649		REC01
20500	20473400	1	OJ	1001043389	5	24	47024	10/14/2020	201390	1.178	3649		REC01
20500	20473477	1	OJ	1001037131	6	16	43939	10/14/2020	201390	2.681	3668		REC01
20500	20473478	1	OJ	1001450317	5	72	43451	10/20/2020	201390	1.173	3440		REC01
20500	20473479	1	OJ	1001037131	6	16	44772	10/14/2020	201390	2.681	3668		REC01
20500	20473480	1	OJ	1001029635	5	60	43866	10/14/2020	201390	0.67	3652		REC01
20500	20473481	1	OJ	1001491859	4	91	43961	10/14/2020	201390	1.469	3674		REC01

All Purchase Order releases are subject to the Bergstrom Purchase Terms and Conditions located online at <http://terms.bergstrominc.com/purchaseorder>

**Important information:**

- 1) Ship to location – This shows the Bergstrom entity the Kanban item will be shipped to
- 2) Order Number – This is the purchase order number for the Kanban release. This must be on the packing slip and on the package when it arrives.
- 3) 2<sup>nd</sup> Item Number – This is the Bergstrom part number for this release line
- 4) Quantity Ordered – order quantity for the release
- 5) Request Date – Bergstrom request date is the date the release needs to arrive at Bergstrom.



- 1) Supplier to review Open Order information on a daily basis
- 2) Contact Bergstrom Material Planner with any questions or issues meeting the released orders

### Discrete Purchase Order

Order Date	Buyer	Order Entered By	Base Currency	Currency	Freight Terms			
10/06/20	TOLESKI, SCOTT		USD	USD	FOB Origin-Collect			
<small>* No individual box to be over 30 lbs.            * For shipments less than 150 lbs, use UPS Small            * For shipments weighing 150 lbs or more, contact CH Robinson Worldwide @ 1-877-251-5344</small>								
Line #	Line Rev.	Part Number	Bergstrom Rev. Level	Request Date	Quantity	Unit Price	Extended Price	
1.000	0	810765	NR	11/17/20	48			
		Part Description <td></td> <td>Supplier Part # <td>Tax Y/N <td>UOM <td></td> </td></td></td>		Supplier Part # <td>Tax Y/N <td>UOM <td></td> </td></td>	Tax Y/N <td>UOM <td></td> </td>	UOM <td></td>		
		ASSY, BLEND DOOR			N	EA		
							Unit Price: \$\$	Extended Price: \$\$
							Net 28 Days	Total Order: \$\$
							Bergstrom Invoice No. 2020-7926	
							Buyer Signature: <i>Scott Toleski</i>	

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### Important Information:

- 1) Order Number – This is our PO number that must be on the package label and packing slip
- 2) Order Date – Date order was placed
- 3) Branch Plant - This shows the Bergstrom entity the order line will be shipped to
- 4) Line # - PO line released
- 5) Part Number – Bergstrom Part #
- 6) PO Rev – current part revision on this PO line
- 7) Quantity Ordered – Original quantity ordered on this PO line
- 8) Request Date – This date is our request date unless acknowledged date differs
- 9) Unit Price – Price per part

10) Extended Price – Price per quantity ordered

What's expected in return:

- 1) Acknowledge purchase order receipt and agreement back to the Planner

Confirmation on Date, Revision

Please note all Bergstrom Purchase Orders are subject to and expressly incorporate Bergstrom's Purchase Terms and Conditions available at <https://terms.bergstrominc.com/purchaseorder>. Bergstrom may change the Purchase Terms and Conditions at any time in its sole discretion, and such changes will be effective upon posting of such updates on the Bergstrom website. Supplier is therefore responsible for periodically visiting the site to review any such changes.

## **08 - Tooling and Maintenance**

### **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 / BERGSTROM TOOLING CONSIGNMENT-BAILMENT SUMMARY** (All specific details mentioned below are included in the Bergstrom Supplier Tooling bailment /consignment agreement that Suppliers accept in writing when becoming a Bergstrom supplier)

Supplier agrees to manufacture and deliver the Products to Bergstrom and, if applicable, Bergstrom agrees to provide to Supplier the Tooling to assist Supplier in the manufacture and delivery of the Products for Bergstrom

Supplier, in its capacity as consignee/ Bailee of the Tooling, agrees to attach a metal label on the Tooling bearing the marking "Property of Bergstrom" or "**Property of (NAME OF CUSTOMER)**" (as the case may be) and the Identification number provided by the Finance or Purchasing Department of Bergstrom.

Supplier shall keep the Tooling in good working order by making all necessary routine, scheduled or emergency maintenance at Supplier's sole cost, including any other related expenses.

- 1) **Maintenance Level 1:** Daily or every production run general inspection, cavities-cores and parting line cleaning, lubrication, antirust protection, reparation of fluid leaks, reparation of electrical malfunctions or other basic tasks.

2) **Maintenance Level 2:** Preventive Maintenance (PM) scheduled by number of shots or period of time to help to keep the tool in good working conditions and to anticipate/eliminate any risk of failure or malfunction while it is working, including but not limited to: tool disassembly, cooling lines de-scaling, service or replacement of mechanical, pneumatic, hydraulic or electrical parts or subsystems such as pins, ejectors, springs, fittings, bolts, locks, date wheels, hot runner system parts, centering rings, o-rings, seals, electrical wiring, switches or connectors, pneumatic or hydraulic hoses, devices such as cylinders or others, cleaning of all vents or overflows, HD greasing or other as necessary.

3) **Maintenance Level 3:** Corrective maintenance, repairs or activities executed with the purpose of not only keeping the mold in a working condition but to replace or recover the damaged, worn or obsolete parts or subsystems such as cavities, cores, sliders, inserts or others.

4) Supplier will compile an evaluation report of the general condition of the tooling every six or twelve months depending on the complexity of the tool and submit said report to Bergstrom promptly upon completion.

5) Based on the periodical tooling evaluations, Bergstrom may share costs with Supplier for any modifications to the tool that would be necessary from time to time, in order for Supplier to manufacture the Products for Bergstrom, provided, however, that Supplier uses its best efforts to minimize the costs associated with such modifications and provides to Bergstrom the correspondent justification in writing.



## Supplier Manual

### **09 - Warranty Requirements**

#### **Warranty/Reliability**

Bergstrom values reliable products and desires to partner with suppliers whose actions support increasing reliability for our customers. Bergstrom requires suppliers to accept full responsibility for their product, including accountability for product performance.

Suppliers are expected to sign a warranty agreement which includes requirements for support and reimbursement terms.

Bergstrom requires suppliers to provide high quality products which are warranted to be free from defects in design, materials and workmanship. In the event of a field failure, warranty claims are sent to Bergstrom suppliers for reimbursement according the warranty agreement.

Bergstrom provides feedback to suppliers regarding warranty and reliability in efforts to drive continuous improvement and increase customer satisfaction. Goals may be found in section ##

Bergstrom design engineers consider component reliability during new product development. Supplier components are designated as preferred, approved, or restricted.



### 10 – Commercial Agreement Management

Bergstrom's standard terms are 60 days.

#### TERMS AND CONDITIONS

All purchases by Bergstrom of goods or services from supplier are, unless otherwise agreed in writing by Bergstrom, are subject to Bergstrom's Standard Purchase Terms and Conditions available at:

<https://terms.bergstrominc.com/purchaseorder>

As Bergstrom may in its discretion change the Purchase Terms and Conditions which shall become effective upon posting of such updates on the Bergstrom website, it is supplier's duty to periodically visit the site to review and be aware of any such changes.

#### NON-DISCLOSURE AGREEMENT (NDA)

Bergstrom realizes that maintaining an effective supplier/customer relationship may require sharing information, communications, data or technology that is sensitive in nature. Before receiving a Request for Quotation (RFQ), suppliers are required to sign and return a Non-Disclosure Agreement. The supplier shall treat all information and data related to the business relationship with Bergstrom in strict confidence and immediately report any intentional or non-intentional breach of confidentiality to Bergstrom management. The Non-Disclosure Agreement template will be sent by the Bergstrom Buyer.

#### REQUEST FOR QUOTATION (RFQ)

To be considered for business, suppliers must fully address each section of the RFQ and include all of the requested supporting documents when responding. This includes, but is not limited to the: Preliminary Advanced Product Quality Plan (APQP), Review of Technical Specification (RTS), Statement of Work (if requested) and Documents needed to support the information in the RFQ response. The quality requirements and targets are highlighted in the quality section of the RFQ. Suppliers are expected to be able to fulfill all quality requirements. Bergstrom may audit the evidence related to the fulfillment of these quality requirements. In the event there are requirements that cannot be fulfilled, suppliers may be required to develop and submit an action plan with the returned RFQ. Suppliers are responsible for all costs associated with the fulfillment of the quality requirements. Some of these requirements may require testing at Bergstrom approved testing facilities. These costs should be included in all RFQ responses

#### BUSINESS ASSESSMENT

Bergstrom has the right to conduct a business assessment to determine whether the supplier has the needed financial resources, production capacity, and other business resources needed to fulfill Bergstrom's volume production needs and continuity of supply.



## Supplier Manual

### FINAL AGREEMENT

Once the supplier is selected, all agreements must be signed and returned to Bergstrom prior to the award of business. (Includes Purchasing / Supply Agreement, Warranty Agreement, and Bailment Agreement). Templates for these agreements will be sent by the Bergstrom Buyer.

### MAJOR SYSTEM OR ORGANIZATIONAL CHANGES

Bergstrom has experienced major disturbances to production or deliveries as a result of major changes at our supplier's facilities. It is required that suppliers must notify Bergstrom immediately of pending, major changes to systems (ERP/MRP), ownership, management, or management structure.

Suppliers should notify their Bergstrom Buyer or SQ representative when these types of changes are pending.

### OBSOLETE MATERIAL

Bergstrom likewise has experienced major disturbances to production or deliveries as a result of component or material obsolescence. Bergstrom is to be notified immediately of component or material obsolescence. The vendor will work through the Bergstrom Buyer to find a quick solution to an obsolete component or material. If an off-the-shelf part or supplier-owned part is going obsolete, Bergstrom must be given an opportunity to bridge build or to last time buy enough material to cover Bergstrom's demand until an alternative part is approved.

### PRICE ADJUSTMENTS

Supplier must provide supporting evidence documenting any requests for raw material price increases and the parties will negotiate any changes in good faith on a case by case basis. Price increases if required will only occur a maximum of twice per year with January 1st and July 1st implementation dates.

### TERMINATION of BUSINESS RELATIONSHIP

Bergstrom asks to be notified no less than 90 days in advance of a supplier wishing to terminate the business relationship. Bergstrom will make every effort to provide a supplier with 90 days advance notice of terminating the business relationship. The supplier will offer a last time buy to Bergstrom or work with Bergstrom on bridge builds during this transition. Costing will remain the same during the transition period and all excess inventory at the supplier will be reviewed and negotiated in "Good Faith". All Bergstrom assets will be returned on the final day of business between the companies.

## 11 - Scorecard Metrics

Supplier Performance is measured by the following four metrics and continuous improvement of those metrics is measured by the rate of change towards their respective goals:

What	Equation	Units	Goal
Measure of Quality	$(\text{Defects Returned to Supplier in the month}) \times 1\text{M} / (\text{units received in the month})$	PPM	Minimize Metric
Measure of Reliability	$(\# \text{ Warranty Claims Accepted in the last 12 months}) \times 1\text{K} / (\text{Qty of Supplier parts Bergstrom Sold in the last 12 months})$	R / 1000	Minimize Metric
Measure of Delivery	$(\# \text{ of complete orders received on time in the month}) / (\# \text{ of orders placed in the month})$	%	Maximize Metric
Measure of Lead-time	$\sum(\text{LT}/\text{Part Number} \times \text{QTY received in the last year}/\text{part number}) / (\text{Total QTY of all Part Numbers received})$	days	Minimize Metric

In addition, the Supplier's Accreditations are tracked and minimal accreditations may be necessary in order to supply Bergstrom with parts or specific parts for specific programs.

Supplier's Performance will be monitored against the above metrics and then that data will be used in the evaluation and award of new business opportunities.

## 12 - Annual Reporting

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

## 13- Environmental Policy & Environmentally Preferable Products

- **Environmental Policy**

Bergstrom Climate Systems (BCS) is a global leader in the design, development, and manufacture of climate control systems for the agricultural, construction, and commercial vehicle industries.

BCS recognizes and professes the need for organizations of any industry to understand and act on their environmental influences. We appreciate this responsibility to the furthest reaches of our global business, and to the legislature that governs our routines, by committing to the implementation and maintenance of an environmental management system. By emphasizing green business practices, BCS commits to an effective, efficient management system that compels us to act beyond ordinary obligation to our world, our society, our customers, and our employees.

We commit to:

- Promote a reduce, reuse, and recycle agenda
  - Monitor our energy use and pursue increased efficiency
  - Compliance with environmental requirements and regulations relating to business practices
  - Continuous improvement of our environmental management system
  - Dedicated employees educated in our environmental policies and philosophy
  - Influence our business partners' awareness of their environmental impact
  - Conservation, sustainability, and the use of renewable resources
  - Promote and observe practices that minimize pollution to our environment.
- **Environmentally Preferable Products**

Supplier should provide/include options for Environmentally Preferable Products (EPP) that meet performance requirements when submitting proposals to Bergstrom for commodities and services. EPP refers to securing products that have a lesser or reduced negative effect on human health and the environment when compared with competing products that serve the same purpose. These products minimize the consumption of resources, energy and water; prevent the creation of solid waste, air pollution or water pollution; minimize the use of materials or processes which compromise the environment.

## 14- Ethics

- **Supplier Code of Conduct**
  1. Introduction

Bergstrom Inc. and all of its subsidiary and affiliate companies (collectively referred to herein as "Bergstrom") is committed to integrity and compliance in everything we do. As part of that commitment, Bergstrom expects its suppliers to ensure that they provide their employees a safe working environment, treat their workers with dignity and respect, engage in environmentally sound and sustainable manufacturing processes, and comply with all applicable laws in all countries in which they conduct business. Suppliers are expected to foster a culture where employees and managers can communicate openly and raise concerns without fear of retaliation, intimidation, or harassment.

Bergstrom's Supplier Code of Conduct (the "Supplier Code") sets forth Bergstrom's commitment to integrity and compliance within its global supply chain. We expect all of our suppliers to adhere to the Supplier Code and to ensure these requirements are met within their supply chain. Bergstrom may visit

(and/or have external monitors visit) supplier facilities, with or without notice, to assess compliance with the Supplier Code. Upon request, Supplier will provide Bergstrom all information reasonably required to enable Bergstrom to assess compliance with the Supplier Code. Adherence to the requirements set forth in the Supplier Code will be considered in making sourcing decisions. Failure to comply with the Supplier Code may result in termination as a Bergstrom supplier and possible legal action.

### 2. Labor and Human Rights

#### a. Fair Treatment

Suppliers shall commit to a workplace free of harassment and unlawful discrimination. Examples of conduct that could be characterized as “harassment” include, without limitation, threatening or subjecting workers with harsh or inhumane treatment, sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse, and unreasonable restrictions on entering or exiting company-provided facilities.

#### b. No Involuntary Labor or Human Trafficking

Suppliers shall not traffic in persons or use any form of slave, forced, bonded, indentured, or involuntary prison labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

As part of this commitment to prohibiting human trafficking, Suppliers may not engage in any of the following conduct:

- Destroying, concealing, or confiscating identity or immigration documents;
- Using fraudulent recruiting tactics; or
- Charging employees unreasonable recruitment fees or providing inadequate housing based on local standards, laws and directives.

#### c. No Child Labor

Child labor is strictly prohibited. Suppliers shall not employ children. The minimum age for employment or work shall be 16 years of age, the minimum age for employment in that country, or the age for completing compulsory education in that country, whichever is higher. This Supplier Code does not prohibit participation in legitimate and lawful workplace apprenticeship programs.

d. Wages and Benefits

Suppliers shall pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition, suppliers shall comply with all applicable maximum working hours laws and regulations and shall compensate workers for overtime hours at or above the rate required by applicable laws and regulations.

e. Freedom of Association

Suppliers shall recognize and respect employee rights to join or not join any lawful organization. Suppliers shall recognize that their employees have the right to seek labor representation, join unions and bargain collectively in the places in many of the places in which they operate. Supplier shall respect their employees' right to make informed choices about labor representation, free of coercion. Where a supplier's employees have labor representation, the supplier shall strive to build a positive, business-focused relationship with the representatives while continuing to meet its commitments to each of its employees.

f. Subcontractor Compliance

Suppliers agree that any workers supplied by subcontractors to work at the Supplier's facilities will be treated in a manner consistent with the principles set forth in this Supplier Code, including providing, when asked, for documentation to support subcontractors' compliance with these principals.

3. Health and Safety

Suppliers shall comply will all applicable health, safety and environmental laws and regulations. Suppliers should address the following in their health and safety programs.

a. Occupational Safety

Suppliers shall commit to the safety and health of their employees, and shall ensure that required training of personnel has been completed prior to initiating any work activity. Suppliers should have or subscribe to a written safety and health program. Suppliers are responsible for addressing and controlling worker exposure to potential safety hazards in conformance with all applicable standards

and/ or regulations and by utilizing suitable means, e.g., design, engineering and administrative controls, preventative maintenance, training, work procedures, and appropriate personal protective equipment.

b. Emergency Preparedness

Suppliers shall have emergency plans and response procedures that implement all applicable laws and regulations regarding: emergency preparedness, reporting and notification; evacuation procedures, training and drills; appropriate hazard detection and suppression equipment; and adequate exit facilities from suppliers' sites.

c. Occupational Injury and Illness

Suppliers shall have procedures and systems to manage, track and report occupational injuries and illnesses, and exposure of workers to chemical, biological and physical agents. These procedures and systems shall implement all applicable laws and regulations, including, as applicable, provisions to (i) encourage worker reporting, (ii) classify and record injury and illness cases, (iii) investigate cases, and (iv) implement corrective actions.

d. Sanitation, Food and Housing

Suppliers shall provide workers with clean toilet facilities, access to potable water and if food preparation and storage facilities are provided these shall be sanitary. Worker dormitories provided by the Supplier or a third party agency shall meet acceptable living conditions.

Such facilities shall be clean and safe and provide adequate emergency egress, adequate heat and ventilation, reasonable personal space, and reasonable entry and exit privileges.

4. Environmental

We expect our suppliers to integrate environmental responsibility into their operations and minimize adverse effects on the community, environment and natural resources, while safeguarding the health and safety of workers and the public.

- Suppliers shall also comply with all applicable health, safety and environmental laws and regulations when conducting business. By way of example, suppliers shall:
- Obtain and keep current all required environmental permits and registrations;
- Reduce, control and/or eliminate wastewater, waste and pollution at the source;

- Reduce, control and/or eliminate air emissions of volatile chemicals, corrosives, particulates, aerosols and combustion products;
- Conform to applicable labeling and warning requirements;
- Identify, manage, store, move and handle hazardous substances in accordance with law; and
- Maintain a program appropriate to their size and resources to understand and mitigate greenhouse gas emissions in their operations, facilities, and supply chain.

## 5. Integrity and Compliance

### a. Books and Records

Suppliers are expected to create and maintain accurate books and records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. When a record is no longer needed to conduct current business, records should still be retained based on applicable legal retention requirements.

### b. Business Integrity

Suppliers shall comply with the laws and regulations of all applicable jurisdictions, including all applicable anticorruption laws. Suppliers may not solicit, give or receive commercial bribes or unlawful kickbacks and must also be careful to avoid even the appearance of such improper conduct. Suppliers will conduct their businesses without engaging in corrupt practices and will not take advantage of anyone through unfair dealing practices. This means that suppliers should not misrepresent the quality, features or availability of their products or services. Suppliers also agree to maintain integrity, transparency and accuracy in corporate record keeping.

### c. Conflicts of Interest

Suppliers are required to uphold Bergstrom's reputation and avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. A relevant conflict of interest typically occurs when personal interests interfere with or appear to interfere with Supplier's ability to perform the work/services without bias. Suppliers are expected to notify Bergstrom if an actual or potential conflict of interest arises. This includes any situations of potential or apparent conflicts between Supplier's or its employees' personal interests and the interests of Bergstrom.

d. Protection of Intellectual Property

Suppliers shall respect intellectual property rights and safeguard proprietary information. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights.

e. Substance Abuse

Suppliers shall have policies and procedures in place to ensure that employees do not conduct work while under the influence of alcohol, illegal drugs, or misused medications (whether prescription or non-prescription). In addition, suppliers will put in place policies and procedures that prohibit employees from using, possessing, transferring or selling illegal drugs or alcohol or misused medication (whether prescription or non-prescription) while at work or while on the job.

f. Responsible Sourcing of Minerals

Suppliers shall have a conflict minerals policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Supplier shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available upon request.

g. Quality

Suppliers shall take due care to ensure their work product meets applicable quality standards.

Suppliers shall put in place quality assurance processes to identify defects and implement corrective actions, and to facilitate the delivery of a product whose quality meets or exceeds the contract requirements. Suppliers shall develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials, provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.

#### h. Privacy and Information and Cyber Security

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers shall protect confidential and proprietary information, including confidential and proprietary information of others and personal information, from unauthorized access, destruction, use, modification and disclosure, through appropriate physical and electronics security procedures. Suppliers shall comply with applicable privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared. Suppliers shall commit to protecting their Information Technology (IT) systems and Operational Technology (OT) systems to avoid unauthorized access to and disruption of their systems and shall otherwise safeguard their assets so as to protect the interests of their customers, employees, consumers and suppliers.

#### 6. Management System

Suppliers shall adopt and implement a management system to comply with the principles set forth in this Supplier Code. Management Systems will vary from supplier to supplier based upon the size and scope of the business and risks. The management system will be designed to ensure

- Compliance with applicable laws, regulations and customer requirements;
- Conformance with this Supplier Code;
- Mitigation of risks, and
- A process to track, measure and drive improvements in the management system.

The management system should contain at a minimum the following elements:

- Company Commitment and Management Accountability through policy statements affirming the supplier's commitment to compliance and identifying a company representative[s] responsible for ensuring implementation of the management systems.
- Risk Assessment and Risk Management process to identify risks associated with the supplier's operations. As regulations continue to change and emerge, the supplier's management system should include a process to monitor and track regulatory activity that may impact its business and that of its customers relating to, but not limited to, environmental, restricted material usage, conflict minerals and hazardous waste.
- Training Programs for training managers and workers to implement the supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.
- Standards, Audits and Assessments to ensure conformity to legal and regulatory requirements, the content of the Supplier Code and customer contractual requirements.



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- Corrective Action Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.
- A Process to Communicate Supplier Code Requirements to Suppliers and monitor supplier compliance to the Supplier Code of Conduct.

### 7. Reporting Concerns

If you become aware of a situation that may involve a violation of this Supplier Code, you have a responsibility to report it. Please note that failure to comply with this Supplier Code may result in termination as a Bergstrom supplier and possible legal action.

Bergstrom will treat all reports confidentially to the extent possible, consistent with the law, Bergstrom's company policy and Bergstrom's need to conduct a thorough investigation. All reports will be investigated promptly and thoroughly, consistent with applicable law and, upon the advice and approval of Bergstrom's legal advisors, may be reported to the appropriate authorities.