



SUPPLIER MANUAL

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Supplier Agreement/Exceptions

Company Name:	
Company Address:	
Supplier Purchasing Signature:	IMS Buhrke Olson Purchasing Signature:
Date/Name/Position:	Date/Name/Position:
Comments:	

1.0 INTRODUCTION

- 1.1 This Supplier Quality Manual is based on IATF16949:2016 and the Automotive Industry Action Group specifications (AIAG) core tools. This Supplier Quality Manual (SQM) is provided to assist you, the Supplier, in understanding your responsibilities to IMS Buhrke Olson as part of the contractual agreement between IMS Buhrke Olson and its suppliers (for both products and services). The Supplier Agreement form is required from each supplier location as acknowledgment and understanding of expectations. One form is used for all IMS locations.

2.0 PURPOSE

- 2.1 The purpose of this manual is to promote a clear understanding of IMS Buhrke Olson expectations and requirements for Suppliers. This manual explains the process IMS Buhrke Olson follows to assess the capability and performance of each Supplier.

3.0 SCOPE

- 3.1 These standards apply to all approved Suppliers to IMS Buhrke Olson. Acceptance of any and all purchase orders constitutes acceptance and commitment on behalf of the recipient to comply with this manual's content. This manual establishes minimum requirements, is supplemental to, and does not replace or alter any purchase agreement.
- 3.2 The controlled version of this Supplier Manual can be found on IMS Buhrke Olson website at: www.buhrkeolson.com.
- 3.3 ****PRINTED COPIES OF THIS MANUAL WILL BE UNCONTROLLED****

4.0 DISTRIBUTION

- 4.1 A copy of this manual and related supplier forms is available and readily accessible through the IMS Buhrke Olson website. A supplier acknowledgment form is attached on page 3.

5.0 CONFIDENTIALITY

- 5.1 IMS Buhrke Olson recognizes the importance of confidentiality with regard to customer-contracted products, and expects its suppliers to strive to ensure the same level of confidentiality. All of IMS Buhrke Olson prints and specifications shall be considered as proprietary information. All drawings and prints shall only be permitted to be distributed with the written consent of IMS Buhrke Olson.

6.0 ETHICS

- 6.1 IMS Buhrke Olson requires its suppliers to conduct business in an ethical manner, which includes honesty, integrity and a commitment to comply with all applicable laws and regulations. The solicitation of gifts of any kind from suppliers to IMS Buhrke Olson Employees is strictly prohibited. All employees are required to exhibit

the highest ethical standards while conducting their business with suppliers. All business transactions are to be in compliance with local laws and ordinances.

7.0 SUPPLIER REQUIREMENTS

- 7.1 IMS Buhrke Olson expects its Suppliers to develop and maintain a registered Quality System that meets the requirements of ISO 9001:2015 with a goal of achieving ISO9001:2015/IATF16949:2016 Certification. Suppliers are expected to provide proof of certification upon request.
- 7.2 Acceptance of an IMS Buhrke Olson Purchase Order or First shipment of product constitutes acceptance of the Requirements set forth in this manual as well as Terms and Conditions set forth in the Purchase Order.
- 7.3 Calibration service must be compliance to ISO/IEC 17025 or national equivalent
- 7.4 Testing service must be compliant to A2LA or equivalent
 - 7.4.1 Upon request the test report shall included the mart of a national accreditation body
- 7.5 Suppliers are responsible for the Quality and Delivery of their Products and Services.
- 7.6 Our Suppliers are expected to provide Products or Services with:
 - 7.6.1 Zero Quality defects,
 - 7.6.2 100 % on time Delivery performance with zero disruptions,
 - 7.6.3 On time responsiveness to issues,
 - 7.6.4 CQI Requirements
 - 7.6.4.1 CQI-9 Heat Treating
 - 7.6.4.2 CQI-11 Plating
 - 7.6.4.3 CQI-12 Coating
 - 7.6.4.4 CQI-15 Welding
 - 7.6.5 Statutory and regulatory requirements e.g. RoHS, REACH, California Proposition 65. Upon IMS Buhrke Olson request, completion of the latest revision is required.
 - 7.6.6 Responsible Mineral Sourcing Reporting requirements
 - 7.6.6.1 (CMRT) Conflict Mineral Reporting Template
 - 7.6.6.2 (CRT) Cobalt Reporting Template
 - 7.6.6.3 (EMRT) Extended Minerals Reporting Template
 - 7.6.6.4 Any new reporting template, not listed above
- 7.7 Minimum supplier performance is determined during semi annual report cards. Suppliers with recurring issues related to delivery or quality that are not resolved with corrective actions are escalated to top management and potentially disqualified. The minimum allowable rating for delivery, quality and corrective action performance is a combined score of 80%.
- 7.8 Our customers' expectations are that IMS Buhrke Olson operates as a zero defect supplier. IMS Buhrke Olson expects the same from our suppliers. For raw material

and outside service defects that impact our customer and/or cause delivery issues, the supplier will be assessed a \$150 charge.

7.9 Preferred payment terms are NET 90. Open to negotiate early payment discount terms.

8.0 QUOTATIONS

8.1 Quotations must use the required specification and current revision level as listed in our email or print. Deviation to the required specification and revision level shall be clearly documented to IMS Buhrke Olson and approved prior to use.

8.2 Deviations, when approved, must be clearly stated on the quotation.

9.0 LEAD-TIME

9.1 IMS Buhrke Olson and the Supplier will agree to the assigned lead-time for the purchased product or service before or during the ordering process. Transit time is to be considered in the development of lead-time. When lead-time is not formally agreed upon, lead-time will be interpreted as a maximum of five (5) calendar days.

9.2 Changes or anticipated changes, in lead-time for raw material must be communicated to the IMS Buhrke Olson Purchasing Department at the earliest possible time. Changes in lead time for outside services must be communicated to the shipping department.

10.0 DELIVERY

10.1 100% on-time delivery performance is required. The delivery date is defined as the date the complete order is delivered to our facility.

10.2 Delivery for materials, components, and outside services may be made on the required date or two (2) days prior to the required date. Any delivery of materials received after the required date will be considered late. Delivery for supplies and tooling may be made from the purchase order issuance date to the required date.

10.3 IMS Buhrke Olson reacts to customer demands and may request a product or service to be delivered earlier than the agreed upon lead-time. Suppliers are expected to respond to those requirements. If the Supplier is unable to meet the required date, the supplier advises the best delivery date within the agreed/normal lead-time.

10.4 Requests to change the required delivery date will be accepted if the request is received within 2 days of the original purchase order issuance date.

10.5 If the product is not delivered on the agreed due date, the vendor agrees to be liable for all direct and indirect costs incurred by IMS Buhrke Olson and/or its customers as a result.

10.6 All Metal shipments must be packaged per agreement and include a material coupon (6" long x Material Width)

11.0 SHIPPING QUANTITIES

11.1 Weigh-counts are performed for all outbound shipments and receipts of product for subcontracted services. It is the Supplier's responsibility to verify our counts

upon receipt and to determine shipping quantities before shipment back to. Unless otherwise specified, IMS Buhrke Olson's allowable shipping tolerance for raw materials is +/- 10%, and for subcontracted services is +/- 2%. Shipments received outside of this tolerance are subject to rejection and cost recovery, unless authorized by the IMS Buhrke Olson Purchasing Department. Discrepancies must be reported immediately to the Purchasing Department.

11.2 Partial shipments are not allowed unless pre-authorized by IMS Buhrke Olson.

12.0 SHIPPING DOCUMENTS

12.1 The Bill of Lading will contain the part number, purchase order number, and quantities. Packing slip detailing the contents of the shipment for materials, components and services are required. The part number and purchase order number must be printed on the packing slip. When Certification is required it must clearly state compliance to the specification listed on the Purchase Order. Chemical and/or physical analysis is required for metal purchases.

12.2 All skids and cartons must be properly identified with product number. Any partial skids or cartons must be noted as such and marked with the partial quantity

12.3 Where applicable, gross, tare and net weights are required. Material certification must list the part number and purchase order number.

13.0 LOT CONTROL AND TRACEABILITY

13.1 IMS Buhrke Olson ships lots per purchase order date, this becomes the traceability and identifier for the lot. The suppliers system shall ensure that product is processed FIFO according to PO date. Identification at the supplier using labels or tags and listing the part number, purchase order number and net quantity is required for each container.

14.0 HANDLING/STORAGE/PACKAGING AND DELIVERY

14.1 The Supplier is obliged to use appropriate means and methods of handling, storage, packaging and delivery methods so as to avoid damage to containers and product. Packaging and labeling methods listed on the purchase order are the responsibility of the Supplier. Shipments must be packed to prevent damage in transit

14.2 Product received damaged or improperly labeled is considered nonconforming.

14.3 Supplier using IMS Buhrke Olson barcode label printing equipment must immediately notify Purchasing in case of defective equipment.

14.4 In the event of any IMS Buhrke-Olson production being dropped or damaged at Vendor Location, the material must be placed on hold and reported to IMS Buhrke Olson for disposition. IMS Buhrke Olson allows a 1% fallout

15.0 SUPPLIER DEVELOPMENT AND CONTROLS

15.1 Suppliers are expected to inform IMS Buhrke Olson of expiration of certificates or loss of certification in a timely manner. Suppliers are issued open order reports weekly and requested to provide corrective action for late deliveries in 3 consecutive months.

- 15.2 IMS Buhrke Olson may schedule audits for repeat quality or delivery issues requiring corrective action, significant change in the suppliers' management, or mergers or affiliations have taken place. IMS Buhrke Olson may forego quality audits in the following cases:
- 15.2.1 ISO 9001 registration
 - 15.2.2 IATF 16949 registration
 - 15.2.3 Proof of an implementation plan with dates
- 15.3 Suppliers shall not make any changes to products or services without prior written notification and approval from IMS Buhrke Olson.
- 15.4 Suppliers have an obligation to manage the product planning process IMS Buhrke Olson confirms supplier conformance to current governmental and safety constraints on restricted, toxic and hazardous materials through an EPA supplier letter every 5 years for US-based Suppliers to Buhrke Industries. Suppliers are expected to sign and return upon request.
- 15.5 Any changes to supplier's process involving 4M (Man, Method, Machine, Material), the supplier must notify the Director of Purchasing. Supplier will not implement the change until approval is received from IMS Buhrke Olson. IMS Buhrke Olson will communicate requirements of the change to supplier, which can include deviation or SCR.

16.0 DOCUMENTS, DOCUMENTATION AND RECORDS

- 16.1 IMS Buhrke Olson provides the supplier with the latest print and informs the supplier of any changes. Suppliers are expected to maintain the latest revision specifications used in the supplier processes. Upon receiving any documents (e.g. product specifications, specifications, drawings, parts lists, CAD data), required for development and planning, the supplier is to check them for completeness, possible contradictions in general, and in regards to their application. Concerns have to be communicated to IMS Buhrke Olson immediately for clarification.
- 16.2 The supplier is responsible for the active procurement of missing documents. Unless additional requirements have been set forth by IMS Buhrke Olson and the supplier, specifications and supporting Quality records have to be retained and stored for at least one year after service requirements terminate. Upon request, IMS Buhrke Olson has the right to review supplier documents and records at the supplier's site. The supplier's documents are to include at a minimum:
- 16.2.1 Statistical data on each product supplied
 - 16.2.2 Lot traceability information specific to raw material and purchased parts heats or lots
 - 16.2.3 Test results for products and services
 - 16.2.4 Test equipment calibration records
 - 16.2.5 Process and product change records
 - 16.2.6 PPAP package
- 16.3 Certificate of Origin (USMCA) Requirements
- Upon shipment of goods, Supplier shall provide a Certificate of Origin, in compliance with the requirements of the customs authorities of the country of

receipt showing, at a minimum, the Buyer's part number and the country of origin of the good which Certificate shall be signed by a person authorized to sign and knowledgeable of the information contained therein. Said certificate should be part of the shipment's paperwork. Where applicable, Supplier shall provide Buyer with a United States-Mexico-Canada Agreement (USMCA) Certificate of Origin compliant with the rules thereunder. Supplier agrees to update Buyer promptly of any changes to the information provided on previously supplied Certificates of Origin or USMCA Certificates of Origin. This cert will be renew every calendar year.

17.0 GENERAL PPAP REQUIREMENTS

17.1 IMS Buhrke Olson suppliers are required to submit PPAP to ensure that all product requirements are understood by the supplier and that the supplier's product / process consistently meet requirements. Purchasing initiates a Purchase Order for new or revised product requesting PPAP. The Supplier PPAP Requirements Letter detailing the submission may be used to assist the supplier along with AIAG PPAP manual. Suppliers are responsible for preparing and submitting PPAP prior to shipping product. Suppliers are also responsible for managing their sub-supplier part approval process ensuring that they conform to PPAP requirements. All Suppliers of new or changed products or processes must meet all requirements of IMS Buhrke Olson PPAP requirements.

17.2 Compliance to the REACH (Registration Evaluation Authorization and Restriction of Chemicals) Regulation 1907/2006/EC directive is required through signing the REACH compliance letter sent by the QAM. If you suspect that products, components or services supplied to IMS Buhrke Olson are not compliant, please contact the Quality Manager immediately.

18.0 PRODUCT INSPECTION AND PROCESS CONTROL

18.1 Records of ongoing process and product control must be available to IMS Buhrke Olson on request. Suppliers shall allow IMS Buhrke Olson, its customers or customer representatives the right to verify at the Supplier's premises that the purchased product or service meets specified requirements.

19.0 CORRECTIVE ACTION

19.1 Suppliers are responsible for providing defect-free product to IMS Buhrke Olson and ultimately, our customers. When quality issues occur, the Supplier is required to initiate problem-solving techniques (e.g. 5 WHYs, 5P, Dig Deep, PDCA, 8D Analysis with priority timing for 0km rejects), and corrective action to resolve the issue and ensure no reoccurrence. Suppliers are notified with a rejection notice including pictures, corrective action request, and samples upon request. Initial response/containment is required within 24 hours and final response is required within ten (10) business days. IMS Buhrke Olson elevates customer related corrective actions with due dates less than 10 days. Unless otherwise indicated on

the corrective action. The IMS Buhrke Olson Quality Assurance Manager or Quality Engineer must approve further extensions.

19.2 Once the supplier has been notified of a nonconforming issue, they are required to;

19.2.1 Define and verify the root cause

19.2.2 Identify and implement short-term containment and corrective action plan.

19.2.3 Identify and implement permanent root cause/corrective action.

19.2.4 Verify the effectiveness of the corrective action.

19.3 Update and submit all relevant documentation that is affected such as: Process FMEA, Control Plan and Job Instructions.

20.0 DISPOSITION OF NONCONFORMING PRODUCT

20.1 When notified of material rejection claim by IMS Buhrke Industries/Olson Metal Products, supplier is expected to acknowledge receipt of notification with 24 hours. A full response is required within 10 working days. If response is not received, the amount indicated will be debited to your account.

Additionally, if no disposition is made after 30 days of notification, material will be scrapped

20.2 Nonconforming product received from a Supplier may be handled in any of the following ways:

20.2.1 Sorting/Rework

20.2.2 Deviation Request

20.2.3 Reject the entire lot.

20.3 Costs incurred are recovered from the supplier. Suppliers are notified of costs associated with nonconforming material from the Purchasing Manager. Sorts will proceed if the supplier does not respond within the timeframe communicated from the purchasing department.

20.4 When the supplier detects Nonconforming material at their facility they are expected to contact the Quality or Purchasing representative before shipment.

20.5 Sorting charge not to exceed \$32/hr unless otherwise agreed to in writing

20.6 Non-conforming rejections may be charged a \$150 per incident fee.

21.0 COST RECOVERY PROCESS

21.1 IMS Buhrke Olson Purchasing department will notify the supplier of any costs associated with nonconforming product. Purchasing will review and approve the final cost incurred and debit the supplier. Replacement certified stock is expected in a timely manner so as not to cause disruption to Production.

22.0 SUPPLIER QUALITY RATING SYSTEM

22.1 Suppliers will be rated on the following:

22.1.1 Delivery Performance: On-time delivery is measured against late deliveries. Suppliers are required to provide 100% on-time delivery.

22.1.2 Quality Performance: Quality Performance will be tracked by percent of deliveries defective.

22.2 Supplier performance is communicated bi-annually to each supplier. Poor performing suppliers are notified and requested to provide action plans.

23.0 CONTINGENCY PLAN

23.1 IMS Buhrke Olson have multiple suppliers that were developed to perform same processes e.g. plating, e-coating, deburring, heat treating etc. These suppliers are listed in the Approved Vendor List. In the event that any of the supplier is deemed not capable of providing the service, Purchasing always have back up/alternate suppliers that can perform the job in order to assure good quality parts and timely delivery of parts to our customers.

REVISION LOG

2/8/12	Updated allowable days early from 3 to 2.
2/10/12	Added confidentiality and ethics paragraph. Minor change to 19.1 and 20.2
1/19/13	Added supplier acknowledgement form and updated 1.0. Added 7.5 for escalation and minimum supplier requirements. Added 7.6 incident fee.
2/26/13	Updated 17.1 suppliers meet PPAP requirements per IMS letter and AIAG PPAP manual.
10/18/13	Added Contingency Plan
11/27/17	Updated from ISO 9001:2008/TS16949 to ISO 9001:2015/IATF 16949:2016
3/17/20	Updated sections 7.4, 19.1, 20.0
5/14/20	Added Cobalt Conflict Mineral, section 7.4.5
5/17/22	Updated EPA requirement to US-based supplier only, section 15.4.
7/7/22	Added section 7.7 pertaining to payment terms.
11/22/22	Added completion of latest form revision in Section 7.4.5.
2/8/2023	Updated several sections to ensure alignment with updated Terms and Conditions stated in the Purchase Order.
7/13/2023	Added section 15.5 pertaining to changes in supplier process.
4/29/2024	Corrected CQI Description Section 7.6.4 and added 4M in Section 15.5. VMD