Effective July 31, 2014 this release replaces all previous editions. Please destroy all the previous versions of this document.
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1.0 INTRODUCTION

This manual has been developed to communicate the AEES Supplier Quality requirements to all external production suppliers and provide a common process that includes but not limited to all phases of APQP, Launch and Current Supplier Quality.

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2.0 AEES SUPPLIER QUALITY POLICY

AEES believes that to maintain a beneficial relationship with a supplier, that we must provide prompt and specific feedback when purchased component items do not meet our specifications.

AEES is a worldwide leader for quality systems, products and services related to the automotive electrical/electronics distribution systems; we are dedicated to understanding our customer’s needs and striving to surpass those by continuously improving diverse products through innovation, creativity and operational expertise. AEES Quality Policy is to achieve and maintain levels of quality product, delivery and service that meet or exceed our customer’s requirements and expectations.

We encourage your active participation in working with us to continuously improve the following activities:

- AEES expects our suppliers to target zero non conformance for all components that are provided to us in order to meet design intent.
- AEES expects our suppliers to maintain 100% on time delivery performance.

The above performances will be monitored and will be a significant part of AEES’s supplier sourcing initiatives. Our objective is to develop a long term relationship with our suppliers who are committed to improving quality and delivery which will be a benefit to both of us.
3.0 SCOPE

This manual applies to all AEES approved production part & material suppliers globally. For purposes of this manual, “AEES” refers to AEES and its affiliates and subsidiaries, who may issue purchase orders to suppliers.

Compliance to the requirements within this manual as well as to the AEES Purchase Order Terms and Conditions are mandatory.

Subsequent Supplier Bulletins will continue to be published to communicate all updates and changes via FRMSupplierQuality@pkcgroup.com.

If for any reason, the above email cannot be accessed, it is your responsibility to contact your assigned AEES Buyer or Supplier Quality Engineer for a copy of the AEES Supplier Quality Manual and related forms.

This Supplier Quality Requirements Manual has been developed to describe and define the requirements and expectations of AEES. It is intended to drive consistency in AEES’s sourcing and procurement activities on a regular basis. Our aim is to create a favorable business environment for both AEES and our suppliers that strive for customer satisfaction in an environment that supports continuously improving costs, quality, efficiencies, productivity and ultimately, profits.
4.0 AEES CONTACT LIST

AEES Supplier Quality and Development contacts are shown in Appendix A, and will be updated and re-distributed as required.
5.0 LAUNCH READINESS MEASURES:

All approved external production suppliers involved in pre-production and new product launches are required to formulate advanced quality plans to support the development of new products and/or services, in accordance with the guidelines in the *Advanced Product Quality Planning (APQP)* manual published by the Automotive Industry Action Group (AIAG).

The responsible AEES Supplier Quality Engineer monitors and manages selected suppliers from new product release through the start of production. New product/process launch, tool kickoff approval and readiness measures are implemented to ensure that suppliers are able to produce in accordance with all requirements of the Purchase Order, Supplier Agreement (if applicable) and customer requirements.

5.1 Supplier Risk Assessment:

Procurement, Quality and Program Management will conduct Supplier Risk Assessments to determine those suppliers whose products are identified as “High-Risk” suppliers and will be tracked by AEES. Criteria include, but are not limited to:

- Product / process complexity
- Product specifications to FMVSS or other applicable local statutory and regulatory requirements
- Past product / process concerns
- New product / complexity for AEES
- Product Environmental Impact
- Supplier launch history
- Mergers, Acquisitions or Affiliations associated with a Supplier Impact on final product
- New supplier production location
- Past warranty concerns
- New supplier
- New product / process for supplier

5.2 Supplier Document / Reporting

Proper documentation reporting is extremely important to the overall success of not only your quality efforts but also ours. Please refer to PPAP 4TH edition for a list of documentations required. Specific requirements will be conveyed on case by case basis. If for any reason we do not receive the required documentation from you within the guidelines set out below, AEES may reject shipments and return product at your expense.

These document-reporting requirements are standard policy at zero cost to AEES unless otherwise amended in writing by AEES SQE or Buyer. Please send the appropriate PPAP documents electronically to the PPAP coordinators listed in the AEES contact list section of this manual.
5.3 Launch Support

During any program launch at an AEES production facility, selected suppliers may be required to provide on-site representation. The supplier's launch support representative(s) must be knowledgeable, capable and empowered to make decisions. Coverage must be provided for all shifts.

- Suppliers will be selected based on past quality performance and/or complexity of components or assemblies being supplied. Suppliers will be identified by the responsible AEES Supplier Quality Engineer.
- Any component or assembly that is identified as a safety or critical item or contains any special record retention requirements must have additional inspection implemented prior to AEES receiving the component or assembly for launch.
- Suppliers may be required to attend key event builds prior to production launch. Suppliers will be identified by the responsible AEES Supplier Quality Engineer.

5.4 Production Part Approval

Suppliers are not authorized to begin production or ship material to AEES prior to obtaining full approval from the AEES receiving facility per the requirements of the 4th edition AIAG Production Part Approval Process (PPAP) Manual. Any deviation to this requirement must be approved in advance and agreed by AEES in writing.
6.0 PRODUCTION PHASE / MANUFACTURING

6.1 Part Certifications Requirements

The Production Part Approval Process (PPAP) defines generic requirements for production part approval, including production of discrete parts and materials in bulk. The purpose of a PPAP is to determine if all AEES Engineering design record and specification requirements are properly understood and implemented by the supplier and that the process has the potential to produce product consistently meeting those requirements during an actual production run at the quoted production rate.

AEES scheduling agreement (blanket PO) will include a line item that specifies if Production Part Approval Process (PPAP) requirements apply. If the PPAP requirements cannot be met for an interim period, a temporary deviation must be submitted and approved prior to scheduling agreement parts being shipped. A PPAP submission shall be completed for all new products (new part numbers, new suppliers, revision changes, etc.).

6.2 Production Part Approval Process (PPAP)

AEES requires all suppliers to meet the specified component PPAP requirements prior to the first normal production shipment to any of our locations and after implementing any changes to part affecting the original PPAP approved.

All PPAP submissions need to be per AIAG PPAP 4th Edition Manual. Suppliers must be proactive on sending the PPAP documentation. All PPAP documents must be sent electronically for the following reasons:

- Initial Submission
- Engineering Changes
- Tooling: Transfer, Replacement, Refurbishment, or Additional
- Correction of Discrepancy
- Tooling Inactive > 1 year
- Change to Optional Construction or Material
- Change in Part Processing
- Parts Produced at Additional location.

The submission levels are specified by AEES PPAP coordinator at the time the information is requested and they may be as follows:

**Level 1:** This level is required for bulk material (e.g. non-dimensional solid, liquid, gas) and it must contain at least the PSW with IMDS # and Material Certification. This level may also be required in extraordinary situations due to production needs or customer requirements.
**Level 3:** This level is required for all AEES design components, some specific components if it is required by our customer, when there is a component change to fit, form, function or type of material and when we start receiving parts from new supplier locations.

Supplier shall submit all defined documents to a level 3 per table 4.2 in AIAG PPAP Manual 4th edition.

**Level 4:** This level is required per our customer requirements and the supplier shall submit at the very least PSW with IMDS #, dimensional results, material certification, numbered drawing or specification. Supplier will be informed if additional documents are needed.

Once the PPAP documentation is received, reviewed and approved, the PPAP coordinator will send a copy of the PSW with his/her signature and date of approval back to the supplier. This indicates that the part meets all customer requirements, and the supplier can start shipping the part.

### 6.2.1 Materials Reporting

Suppliers must register with IMDS (International Material Data System) on [www.mdsystem.com](http://www.mdsystem.com).

Refer to IMDS website for training material.

The Supplier is responsible for obtaining an IMDS-module reference number for each part number supplied to AEES. The IMDS reference number must be included with the PPAP submission on the PPAP form and the Warrant.

A supplier PPAP package will not be approved without this reference number being included with the submission.

Declarable substances in a Supplier’s product must be reported in a declaration statement. Action plan to remove these prohibited substances must be submitted. Review the Analysis-Tab for “Declared / Prohibited” (DIP) substances. Please reference IMDS system for document instructions on DIP substances.

### 6.2.2 PPAP Submissions Over 1 Year Old

Per our customer’s request and to comply AEES specific requirements suppliers shall submit an annual certification for parts including the following: PSW with IMDS # (desirable), dimensional results and material certification, these documents must not be older than a year. This information must be provided as requested by PPAP coordinator or prior to the expiration of the previous documents.

- Annual Layouts are required to verify continuing conformance on all parts and components. Refer to your SQ representative for specific requirements.
- Whenever AEES is required to submit PPAP to their customer, all external production Supplier PPAP documentation must be less than one year old.
- At that time, all PPAPs over one year old are to be updated upon request by the receiving AEES Manufacturing location, regardless of the supplier’s business relationship (i.e. customer directed) with AEES’s customer.
6.3 Supplier Change Request (SCR) Process

It is imperative that all suppliers and their sub-suppliers understand that no supplier-driven change (material, process or move of production location) is to be made to any product supplied to AEES without prior approval from AEES. Pursuant to AEES policy consistent with AIAG PPAP 4th Edition, all products supplied to any location of AEES are subject to obtaining the proper approval from the AEES Supplier Quality in advance.

Supplier changes can include, but are not limited to the following:
- Changing design/specifications of materials
- Changing dimensions, tolerances or discontinuation of parts
- Changing sub-suppliers of raw materials or services
- Equipment/Process changes to improve yields, capacities, and cycle times of parts fabrication
- Production location changes/tool moves
- Value Stream changes

The initial Supplier Change Request is to be made using the AEES supplier change request form (see Appendix B) and submitted to the AEES SCR coordinator. Change requests must be submitted with sufficient time prior to implementation so AEES can review and approve the request. Suppliers will receive email notifications with approval status. Once approval is granted, a copy of the approved SCR shall be included in the PPAP submission.

All Change requests must be submitted via Email to: FRMSupplierQuality@pkcgroup.com

Please contact the appropriate AEES Supplier Quality contact or Change Request Coordinator in the event of any questions. Through proper communication and cooperation prior to the implementation of changes, we can help to ensure flawless vehicle launches with our customers.

6.3.1 Product / Process Changes

Advance written approval from AEES Supplier Quality is required for all changes to a supplier’s product/process.
- Supplier must submit any product/process change request with sufficient time prior to implementation so AEES can review and approve the request
- Samples may be required for review and to evaluate potential impact on AEES’s manufacturing processes
- PPAP approval is required unless specifically waived in writing
- Raw material changes must have completed validation testing and IMDS submission
- Refer to the AIAG PPAP 4th Edition for “Examples of Changes Requiring Notification”
6.3.2 Production Location Changes / Tool Move
Advance written approval from AEES Supplier Quality is required for all changes to a supplier's production location changes.

- Supplier must submit any production location changes/tool move request with sufficient time prior to implementation so AEES can review and approve the request. In addition the supplier must fill out the AEES tool move checklist (see Appendix C) and submit along with the change request form. This form is intended to be used for AEES owned tools or as instructed by AEES Supplier Quality
- The Tool Move Plan must include the requirements of a production bank to ensure AEES's Production and Service requirements are not affected
- Additionally, all shared tooling must be called out and identified in the Tool Move Plan
- PPAP submission (Level 3 unless otherwise directed by the AEES Supplier Quality) and approval from the AEES Supplier Quality is required prior to the shipment of production material from the new location
7.0 QUALITY DISCREPENCY REPORT (QDR)

When a discrepancy is found in a component shipment and/or at the production lines, a QDR (see Appendix E) is issued and sent to the supplier via email along with documented evidence of the defect and production traceability if available.

Containment actions need to be provided by the supplier within one (1) calendar day (Initial Response) after the QDR was reported. The supplier will have ten (10) calendar days to provide a full investigation report (Final Response) identifying the root cause and a solution for the problem in an 8D format (See Appendix F).
8.0 SUPPLIER CONTAINMENT

8.1 Early Production Containment

Pre-Launch Control Plan - The early production period containment control strategies are documented in the Pre-Launch Control Plan. The Pre-Launch Control Plan is a significant enhancement to the supplier’s production control plan, and increases confidence that all early production containment shipments will meet or exceed AEES’s quality expectations. The Pre-Launch Control Plan also serves to validate the production control plan. (Please Reference AIAG Advanced Product Quality Planning and Control Plan Manual for the initial building blocks).

8.1.1 The Pre-Launch Control Plan:

- Must have the controls that are documented in the regular production control plan fully implemented. In addition, special efforts over and above the production control plan requirements must be implemented. The Pre-Launch Control Plan takes into consideration all known critical conditions/characteristics of the part as well as potential areas of concern identified during PPAP, and must comprehend part variation within a product family.
- It is a living document throughout the early production containment period. AEES and supplier approved modifications to the plan must be made as necessary to incorporate Lessons learned during each early production run. Any non-conformances that are found during pilot/prototype runs must be appropriately comprehended.
- Must be submitted for PPAP and each time a revision is made following the initial PPAP submission
- Work instructions, training, verification of gauges, data collection, reaction plans and management auditing, all need to be included. In some cases, certain early production containment controls may remain as part of the production process flow and must be documented as such in the Production Control Plan.

8.1.2 Additional Controls:

Based on historical production process factors, PFMEAs, statistical data, etc., additional controls may include:

- Increased frequency/sample size of receiving, process and/or shipping inspections
- Mandated sub-supplier containment and/or sub-supplier audits
- Addition of inspection/control items and functional testing
- Increased verification of label accuracy
- Statistical evaluations
- Enhancement of process controls
- Increased verification of error proofing devices
- Increased involvement and visibility of top management
- Increased audits, verifying key manufacturing quality fundamentals such as standard work, part handling, adherence to established quality practices
Supplier must establish a reaction plan for immediate containment of non-conforming material and notifying AEES if non-conforming material has been shipped.

Supplier must establish identification of the measurement equipment and data collection devices/activities to be used.

Special characteristics are 100% checked during the early production containment period. Process parameters, that have a direct effect on special characteristics must also be monitored and documented at an increased frequency. If this is not possible, sampling must be done at an AEES agreed upon frequency and monitored for variation over time/operator/set up.

Supplier must attach to each shipping label a green sticker signed by a management representative to indicate compliance with the Pre-Launch Control Plan. The Supplier Quality Engineer reviews the supplier’s Pre-Launch Control Plan prior to or in conjunction with the PPAP package. The Supplier Quality Engineer evaluates the overall plan including the specific items listed below:

- QDR, prototype, and pilot issues are addressed
- High RPN’s are addressed by the Pre-Launch Control Plan and recalculated as necessary based on early production first time quality or data collection that may change the occurrence and detection numbers.
- The supplier used the PFMEA and statistical data to determine where additional controls are necessary, including adequate consideration of special characteristics.
- Past issues from similar parts, past parts and processes are incorporated.

### 8.2 Containment during Steady State Production

#### 8.2.1 Problem Report - Containment Information

The problem report document will be issued as a result of a complaint communicated by AEES (e.g. QDR, phone call, fax, etc) to the supplier. The immediate containment sections of the QDR documents the necessary activities to immediately prevent future nonconforming product from reaching AEES or AEES’s customers.

The supplier provides an initial response consisting of the following information, at a minimum, within one (1) business day of receiving the problem report:

- Immediate and ongoing containment actions to be taken by the supplier to prevent further shipments of nonconforming parts or material. Containment includes data collection and analysis.
- Disposition of the nonconforming parts or material at the AEES location and in transit. The supplier analyzes the entire value stream chain to identify any suspect material at, or in transit, to any AEES location.
- Date of the next shipment of conforming parts or material, including how it will be identified. The supplier takes into account the conforming material ship dates of all AEES plants receiving the corrected parts or material.
- Name, title, and phone number of the supplier representative who provided the above information.
The following is a step-by-step approach for an effective containment process:

- Identify the non-conformance or problem. The non-conformance could be identified by AEES or by the supplier.
- Quarantine the complete supplier value stream for all impacted AEES sites, including material; parts in process, stock, and/or in transit from all affected or potentially affected processes and locations. Consider the impact on service part shipments.
- Clearly label the suspect material and identify the date, part number, non-conformance and the person responsible for follow-up.
- Establish the break points where the non-conformance began and ended.
- Isolate the non-conforming/suspect material to prevent inadvertent use, utilizing a robust process to effectively identify and segregate and include all hidden factories.
- Review the material to determine which of the following actions will be taken:
  - Customer approved rework that meets the specified requirements
  - Accept with or without repair (based on acceptance criteria, engineering permit, etc.)
  - Re-grade for alternative application
  - Reject and scrap
- Notify AEES if there is a possibility that non-conforming material has been shipped and of nonconforming material breakpoints.
- Re-inspect repaired or reworked product in accordance with the Control Plan and/or other documented procedures.
- Identify the cause of any non-conformance and pursue short and long-term corrective action.
- Record the activities that took place after the non-conformance was discovered.
- Revalidate the manufacturing process and verify that it is stable and capable.
- Return to normal process control methods as described in the Control Plan.
9.0 SUPPLIER COMMUNICATION TO AEES

AEES expectations are that all suppliers meet or exceed the following requirements:

- Supplier communication to AEES will be pro-active and will include notification of any and all sub-contractor issues that could affect AEES and its affiliates or its customers.
- All requests for authorization of any proposed material or process changes or moves of production locations by a supplier or its sub-suppliers are submitted in advance with regard to timing of all issues.
- Early notification of any potential supply/capacity issues are communicated to your AEES Buyer, including but not limited to potential labor stoppages.
- Contingency Planning Strategies are in place for all manufacturing facilities that ship to AEES and its affiliates.
- Upon completion of a program, the supplier will ensure tooling is properly stored to prevent damage and is readily available for service requirements.
- Suppliers must acknowledge that achievement of ZERO DEFECTS and 100% on time delivery performance are fundamental objectives for quality and must monitor their performance as reported in both the AEES Supply Quality Rating report (SQR) and QDR.
- All suppliers are expected to be compliant with the environmental directives of AEES’s customers and applicable legal requirements including Product Material Content and Recyclability Reporting (PMCRR-IMDS) and associated programs, including REACH Registration, Evaluation, Authorization (and Restriction) of Chemicals.
10.0 EXTERNAL PRODUCTION SUPPLIER CONTROLLED SHIPPING

STATUS:
If required, AEES may formally place a supplier on Controlled Shipping. The intent of Controlled Shipping is to implement a rigorous process that protects AEES from the receipt of nonconforming parts and/or material. Controlled Shipping is put in place as an additional inspection process to sort for nonconforming material, while implementing root-cause analysis and corrective actions. The Controlled Shipping process is in addition to normal controls.

10.1 Controlled Shipping Containment Process
It includes the following:
- A highly visible and equipped containment area.
- A well-defined efficient flow of material in and out of the area.
- Provisions for repairs/rework separate from the containment area.
- Containment area separated from the supplier’s normal production process.
- Proper job instructions, quality standards, boundary samples, tools, equipment, and qualified measurement devices to facilitate the containment operations.
- Proper operator training with adequate details of the process.

10.2 Determination of the Need for Controlled Shipping
The following are considered in determining the need for Controlled Shipping:
- Repeat QDR’s
- Duration and severity of the problem
- Incapable processes
- Customer quality issues
- Inadequate containment and/or resolution of non-conformances

Based on the above, AEES decides whether Level I Controlled Shipping or Level II Controlled Shipping would be appropriate.

10.3 Controlled Shipping Levels

10.3.1 Level I Controlled Shipping
Requires an additional inspection process enacted at the supplier’s manufacturing facility. The inspection process ensures that AEES will be protected from receipt of nonconforming parts and/or material.

10.3.2 Level II Controlled Shipping
Level II controlled shipping includes the same processes as Level I Controlled Shipping, with an additional inspection process that is completed by a third party. AEES and the supplier mutually agree upon the Third Party Company and location. The supplier owns the financial responsibility. The Level II inspection is required to be performed outside the supplier’s facilities unless otherwise approved by AEES.
10.4 Level I Controlled Shipping Process

The Controlled Shipping process starts with notification by the Supplier Quality Engineer to an appropriate staff level member of the supplying location.

10.4.1 Supplier Responsibilities

- Immediately establish an additional inspection activity over and above the current process control plan, which includes a monitoring and reaction process.
- Commence the sort activities and display document the results on the information board(s).
- Establish breakpoints for conforming material and ensure traceability of nonconforming material.
- Establish appropriate identification to indicate controlled shipping status on outgoing material.
- Communicate results of sort activities to AEES in a format and with a frequency agreed to by the Supplier Quality Engineer.
- Implement permanent corrective actions and verify effectiveness.
- Meet the defined exit criteria.
- Submit a request to exit from controlled shipping including the appropriate data and documentation that the corrective actions are effective to the Supplier Quality Engineer.
- The Supplier Quality Engineer evaluates if the exit criteria have been met and provides a written response to the supplier.

10.5 Level II Controlled Shipping Process

- The Supplier Quality Engineer, with input from the receiving plant as appropriate, analyzes the nonconformance situation and determines if CSII is required.
- A Supplier Quality Engineer notifies the supplier of CSII in writing.
- The written communication includes the following:
  - The reason for CSII
  - The action being undertaken
  - The nonconformance(s)
  - The inspection checks required
  - Exit criteria required to be achieve
- The supplier will respond to the Controlled Shipping notification in writing

The following list describes Controlled Shipping roles and responsibilities of key personnel:

**Supplier Quality Engineer**

- Provides the list of recommended third party containment suppliers.
- Reviews, verifies, and approves the containment action plan.
- Reviews, verifies, and approves the corrective action plan.
- Conduct a supplier Production Process Review, if necessary.
- Provide the exit criteria.
- Directs resolution of all issues.
- Evaluates if the exit criteria have been met allowing the supplier to exit.
Supplier Responsibilities

- Contact and issue a purchase order to the third party inspection source for Controlled Shipping Level II activities. The supplier is responsible for all costs of the third party inspection activities.
- Continue to perform the inspection activity and record results for Controlled Shipping Level I in conjunction with Controlled Shipping Level II.
- Provide appropriate documents and equipment to the third party inspection source.
- Establish appropriate identification to indicate controlled shipping status on outgoing material.
- Determine root cause and implement irreversible corrective action(s).
- Communicate the action plan and status to AEES in a format and frequency agreed to by the Supplier Quality Engineer.
- Communicate results of third party inspection activity to AEES in a format and with a frequency agreed to by the Supplier Quality Engineer.
- Notify their TS/ISO Registrar.
11.0 COST RECOVERY

AEES suppliers are selected based on their ability to manufacture and provide components to our specific drawing specifications without visual or functional discrepancies. Suppliers are required to meet delivery and quality targets (100% on time and 0 PPM). Conformance to this requirement is the supplier’s responsibility. Suppliers awarded with AEES business will be held accountable and responsible for all costs incurred due to non-conforming product identified during AEES manufacturing or final customer use of our finished product. For each incident, a debit memo will be issued to the supplier. Debits are issued to the supplier through the Finance Department in cooperation with AEES Procurement.

Please refer to the guidelines below regarding applicable charge backs to suppliers. The following charges will be calculated on the actual time incurred for the associated action. These charges include but are not limited to the following:

Administrative Charge:
Each supplier cost recovery that gets processed by AEES will carry a $200 administrative fee. This charge is to cover the collection of data and documentation in support of cost recovery.

Freight Charges:
- Premium freight costs above standard freight including Air Charter if required
- Any other expedited freight incurred

Scrap Charges:
Disposition of Scrap - All Shipping fees and material cost related to the return of suspect non conformity materials and scrapping of finished goods

Labor Charges:
- Rework/Repair/Containment - Man-hours used for sorting or reworking components / finished goods @ $25.00 USD (US Rate/hr) & $13.44 USD (Mexico Rate/hr) to meet production requirements
- Overtime to Avoid Production Interruption @ $25.00 USD (US Rate/hr) & $13.44 USD (Mexico Rate/hr)
- Sorting of Suspect Material In-House, at the Customer Location or Third Party
- Receiving Inspection, Material Handling associated with Scrap and Replacement Material

Downtime Charges:
- Production Downtime for AEES - Production downtime / Overtime at AEES facilities incurred due to supplier quality or non-delivery issues will be charged at the above rates
- End Customer Downtime – Charges for end customer could vary and will be passed on to the supplier
Other Charges:

- Rework or repair materials, tooling, gauges, testing equipment or third party testing. AEES will hold approval on finalization of all sorts and rework to insure that all requirements are met and satisfied.
- Travel expenses for AEES associates - required for incident management & resolution
- Delays in Customer PPAP, customer launch or other approvals based upon submission of the necessary data to AEES SQE in a timely and accurate manner
- Customs Charges - Duties, taxes and other fees
- AEES customer exposure (if any) - Recovery costs due to a vehicle recall, warranty claims
- Customer Charge Backs
12.0 SUPPLIER QUALITY RATING (SQR) SYSTEM

To meet the ISO/latest requirements of measuring supplier performance, the AEES Supplier Quality Rating (SQR) system monthly scorecard utilizes composite measures (such as PPM, Issue Response and PPAP Performance) which cover various aspects of supplier performance.

It provides a monthly and year to date record of the suppliers’ quality, delivery, written complaints, customer satisfaction and warranty ratings performance and scores. These performance metrics also provide:

- Recognition of exceptional supplier performance
- Improved communication on performance issues
- Objective data for use in supplier management and sourcing decisions
- Opportunities for continuous improvement

12.1 Parts Per Million Metrics

One of the measurements of Quality Performance of suppliers is defective Parts Per Million (PPM). The expectation for supplier performance is 0 PPM (zero defects). Product received into AEES facilities that does not conform to the drawing, specifications and/or agreed upon standards will be counted against a supplier's PPM record. Quantities will be reported in the units of measure in which they are purchased. This applies to production parts / saleable units.

The following are PPM assignable:

- Production Parts which do not meet drawing specifications or dimensional, functional, or appearance standards as called out in the specifications or from an agreed-upon boundary sample.
- Out-of-spec parts that require rework/repair in order to be used.
- In cases where the supplier may be shipping prior to PPAP with an approved customer deviation, any defects outside of the boundaries defined by the deviation.
- Out-of-spec parts shipped prior to PPAP approval without an approved customer deviation.
- Shipments that are received with mixed parts or parts that are the wrong revision level after the break point has been established. PPM is assigned for the quantity of incorrect parts only.
- Shipments that are received with mislabeled containers are considered PPM assignable. The reject quantity shall reflect the total number of containers with incorrect labels. In cases where each individual part requires identification, the total number of incorrectly labeled parts will be counted toward PPM. If mislabeled products are used incorrectly in production operations, the total number of incorrect assemblies will be counted against the supplier’s reject quantity.
The Supplier Quality PPM section of the SQR accounts for 30 points. The calculation for non-conforming parts is as follows:

$$PPM = \frac{\text{Quantity Non-conforming}}{\text{Quantity Received}} \times 1,000,000$$

Supplier Quality points can be awarded as indicated below:

<table>
<thead>
<tr>
<th>Performance</th>
<th>Awarded / Demerit Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; OR 30 PPM</td>
<td>30</td>
</tr>
<tr>
<td>31 PPM – 60 PPM</td>
<td>20</td>
</tr>
<tr>
<td>61 PPM – 100 PPM</td>
<td>10</td>
</tr>
<tr>
<td>101 PPM – 250 PPM</td>
<td>0</td>
</tr>
<tr>
<td>&gt; 250 PPM</td>
<td>-10</td>
</tr>
</tbody>
</table>

The data on quality rejects to calculate PPM will be provided by Supplier Quality Engineer at each AEES location. The Year to Date PPM will be reset on January 1st of each year.

### 12.2 Issue Response Metrics

The Issue Response Performance of the SQR accounts for 20 points.

Responsiveness to quality issues (QDRs) is critical to our manufacturing operation. Slow response can result in plant down time or missed shipments to customers.

Points will be awarded for initial Containment response and Final issue closure. Demerit points will be deducted for repeat issues as described in the following table:

<table>
<thead>
<tr>
<th>Performance</th>
<th>Awarded / Demerit Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Issues</td>
<td>20</td>
</tr>
<tr>
<td>Initial Containment Response within 24 hours</td>
<td>12</td>
</tr>
<tr>
<td>Final Closure within 14 calendar days (8D, CAR)</td>
<td>8</td>
</tr>
<tr>
<td>for each “Repeat” Issue</td>
<td>-5</td>
</tr>
</tbody>
</table>
12.3 PPAP Performance Metrics

On time performance to PPAP commitment is of major importance in support of AEES product launch and ongoing production. The metric used is a comparison of item with no commitment or slipped date for PPAP to the number of requested items.

Example: Supplier has 4 items with no PPAP commitment
+ 6 items that slipped during the month
_______________________________
Total: 10 items

If the supplier has 90 requested items in total, the metric will be (90-10)/ 90 = 89%
Non-performance in this area will result in deduction as indicated below:

<table>
<thead>
<tr>
<th>Performance</th>
<th>Demerit Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>96 – 100 %</td>
<td>0</td>
</tr>
<tr>
<td>91 – 95%</td>
<td>-5</td>
</tr>
<tr>
<td>86 - 90 %</td>
<td>-10</td>
</tr>
<tr>
<td>81 – 85 %</td>
<td>-15</td>
</tr>
<tr>
<td>&lt;= 80</td>
<td>-20</td>
</tr>
</tbody>
</table>

The data to calculate this metric will be provided by component PPAP coordinators at each location.

12.4 Supplier Quality Rating (SQR) Report

Supplier Quality Scorecard metrics are used to monitor performance of top suppliers and are distributed quarterly to provide current and historic feedback on supplier performance. The maximum point for SQR report is 50.

Total available Monthly Points for three SQR critical metrics are:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Awarded / Demerit Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Quality PPM</td>
<td>30</td>
</tr>
<tr>
<td>Issue Response</td>
<td>20</td>
</tr>
<tr>
<td>PPAP Performance</td>
<td>-20</td>
</tr>
</tbody>
</table>
SUPPLIER PPM GRAPH

An individual PPM graph is generated every month to top suppliers to show Monthly and Year to Date PPM, this information will be available upon supplier request.

Example:

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>PPM</th>
<th>Month PPM</th>
<th>YTD PPM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>JAN</td>
<td>FEB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>539</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>282</td>
<td>208</td>
</tr>
<tr>
<td></td>
<td></td>
<td>174</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td></td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80</td>
<td>68</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact:</th>
<th>Phone:</th>
<th>E-mail:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
13.0 Material Requirements

13.1 Electronic Communication

Fast, reliable, and integrated exchange of data significantly improves accuracy, flow, and visibility of information and reduces lead times, administration, and overall costs. The real-time, automatic exchange of information allows the organization and its suppliers, sub-contractors, and service providers to respond more quickly by having greater visibility and thus ensuring customer delivery and optimizing inventory. Therefore, procedures for data exchange shall be implemented with AEES Suppliers and Logistics providers.

The AEES organization sends and receives electronic communication in accordance with customer requirements and relevant industry standards. AEES’s suppliers, sub-contractors, and logistics providers are expected to be engaged in exchanging traditional EDI or Web-based EDI electronic communication with AEES. E-mail and Fax are not acceptable means of electronic communication.

For setup information to enable electronic exchange with AEES, contact your Commodity Buyer for instructions.
13.2 Packing Slip Requirements

Packing slips for materials included in each shipment (on a single bill of lading) must be enclosed in an envelope marked “Packing Slip”. The packing slips and bill of lading are to be presented to the carrier prior to shipment departure.

The supplier must provide two (2) copies of the bill of lading and three (3) copies of the packing slips. One (1) copy of the bill of lading must be given to the carrier. An envelope containing one (1) copy of the bill and lading and two (2) copies of the packing slips must be given to the carrier. The third copy of the Packing Slip must be affixed to the material.

Your organization is required to deliver the following on every packing slip:

**Packing Slip Content:**
- AEES Receiving Plant from our release information (Examples: AC2, AC3, PN)
- AEES Purchase Order Number from our release information (Example TRN100019)
- AEES Part Number for each item on the pallet (Example: 1699642)
- AEES Release Number from our release information (Example: 111)
- Number of total packages on the pallet (Example: 3 boxes, 2 rolls)
- Unit of Measurement as negotiated on Purchase Order (Example: each, reels, feet)
- Quantity of items at Unit of Measurement above – do not include decimal places (Example: 100)
- Country of Origin (Example: USA)

**Packing Slip Location and Pallet Presentation:**
- An individual packing slip should be present on each pallet
- The packing slip should be secured to the outer upper left hand corner of the pallet
- Packages on the pallet should all have individual labels facing outward
- All labels and the packing slip should be clearly visible from the outside of the pallet
13.3 B-10 Barcode Label Requirements (Product Identification)

AEES believes that a Product Identification bar code label requirements help enable greater efficiencies in shipping and receiving processes, better data integrity, easier product identification, and integration with other electronic commerce systems. These labels were created using the guidelines and standards issued by the Automotive Industry Action Group (AIAG). Most suppliers are familiar with these guidelines and standards as they are the most generally recognized manufacturing-based guidelines.

AEES highly recommends that suppliers use bar code scanners to collect the information required for the supplier’s shipment documentation, including the Advanced Ship Notice (ASN). Although use of bar code scanners is not a specific requirement, AEES does require that all shipment documentation be sent to them promptly and accurately. Bar code scanners facilitate the efficient collection and transmission of accurate information. For additional assistance, please contact the AEES site’s purchasing representative.

Label Certification
All suppliers are required to submit the B-10 Product Identification bar code label for certification. The certification process ensures that the labels meet the published standard. PDF label samples can be emailed to: jorge.lopez@pkcgroup.com.

or original label samples can be mailed to:

AEES SAN ANTONIO
Attention: Jorge Lopez
211 N.Loop 1604, Suite 290
San Antonio, TX 78232

See following pages for Supplier Label requirement details
B-10 (Product Identification) Label

AEES B-10 product identification label was created using the AIAG B-10 guidelines. The data on the label ties the contents of the shipment to the electronic Advanced Shipment Notice (ASN), thus enabling an efficient receiving process. For additional information about the ASN, please contact your assigned Commodity Buyer.

Supplier must ensure that containers (i.e., boxes, pallets, etc.) in the shipment be labeled appropriately and documented in the ASN. Label specifications are in this document.

Proper positioning of the product identification labels is also important for effective identification of the container of parts sent to AEES. An illustration of acceptable locations for container labels is included in this section. If stretch wrap is used to hold containers together on a pallet, Container labels must be clearly visible under the stretch wrap.

Suppliers who are unclear as to where to attach the container label must contact their appropriate AEES purchasing representative for clarification. Any parts placed within a container within packaged bags of more than one unit (i.e. fasteners, labels, small electrical connectors) must include a human readable label on the bag identifying the AEES part number, a description, the quantity within the bag, and the name of the supplier providing the part.

Label Requirements

- Label size must be 4 x 6 inches (standard sized label)
- Code 128 bar code symbology must be used (Use Code 128, Subset Auto for numeric, alpha characters and ASCII symbols)
- X dimension must be in the range of 0.013 inches (0.33 MM) to 0.017 inches (0.43 MM)
- Bar code height must be a minimum of 0.5 inches (13MM)
- Quiet zone (blank space at each end of the bar code) must be a minimum of 0.25 inches (6.3 MM).
- Bar code must meet a minimum ANSI print quality of “C”
- Human readable data must be 0.25 inches or 20 points or 3 LPB
- Row/block height must be 1.0 inch tall.

Fig. 1 Final Result Supplier & receiving inspection label.
<table>
<thead>
<tr>
<th>Block Title</th>
<th>Data</th>
<th>Maximum Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM:</td>
<td>ABCDE SUPPLIER 211 N. LOOP 1604, SUITE 290 SAN ANTONIO, TX 78232</td>
<td>4 lines of text</td>
</tr>
<tr>
<td>TO:</td>
<td>XYZ WAREHOUSE 211 N. LOOP 1604, SUITE 290 SAN ANTONIO, TX 78232</td>
<td></td>
</tr>
<tr>
<td>PO (K)</td>
<td>TR20000003</td>
<td></td>
</tr>
<tr>
<td>PART NO (P)</td>
<td>475343</td>
<td></td>
</tr>
<tr>
<td>SUPPLIER ITEM</td>
<td>Vandar 2500 – MD3059</td>
<td></td>
</tr>
<tr>
<td>QUANTITY (Q)</td>
<td>968</td>
<td></td>
</tr>
<tr>
<td>MANUFACTURED BY</td>
<td>May 05/08/14</td>
<td></td>
</tr>
<tr>
<td>SERIAL#</td>
<td>TR2157219</td>
<td></td>
</tr>
</tbody>
</table>

**Supplier Item**
- Block Title: SUPPLIER ITEM
- Data: Supplier’s part number
- Maximum Length: 2 line of text

**Release No.**
- Block Title: RELEASE No.#
- Data: AEES release number
- Symbology: Code 128
- Data Field Identifier: 5K, Max data charts 2
- Maximum Length: 11: Max data charts 11

**Quantity**
- Block Title: QUANTITY
- Data: The amount of parts being shipped
- Symbology: Code 128
- Data Field Identifier: Q, Max data charts 1
- Maximum Length: 6: Max data charts 6

**Manufactured By**
- Block Title: MANUFACTURED BY
- Data: MONTH, DATE “MM/DD/YEAR”
- Maximum Length: 2 lines of text
Please for any doubt on label placement and orientation reference the latest AIAG Trading Partner Labels Implementation Guideline.
13.4 C-TPAT Supplier Participation Requirements

AEES Inc. supports the initiative to safeguard the world's vibrant trade industry from terrorists through active participation in the U.S. Customs and Border Protection’s Customs-Trade Partnership Against Terrorism (C-TPAT) program. C-TPAT is a voluntary Department of Homeland Security supply chain security initiative administered by US Customs & Border Protection (CBP). Be aware that in order to maintain our C-TPAT certification, AEES reserves the right to periodically conduct site assessments to ensure that the minimum security requirements are being met by its business partners (suppliers). It may also require business partners to submit written statements confirming their compliance. For more information regarding the C-TPAT program, including the supplier standards that AEES is expecting, you are encouraged to refer to the following link: [http://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism](http://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism)
## 14.0 Revision History

<table>
<thead>
<tr>
<th>REVISION</th>
<th>DATE</th>
<th>SECTIONS AFFECTED</th>
<th>DETAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>05/15/2009</td>
<td>All</td>
<td>Original Doc</td>
</tr>
<tr>
<td>01</td>
<td>03/23/2009</td>
<td>All</td>
<td>Changed the company logo&lt;br&gt;Removed all references to Alcoa&lt;br&gt;Updated document rev number&lt;br&gt;Updated document footer&lt;br&gt;Updated appendix A through E with new AEES logo&lt;br&gt;Other minor changes</td>
</tr>
<tr>
<td>00</td>
<td>9-6-2011</td>
<td>All</td>
<td>Updated document rev number&lt;br&gt;Updated document footer&lt;br&gt;Updated Contact list&lt;br&gt;Added 6.2.1&lt;br&gt;Renumbered document number from NDSQP74-01.02 to NMSQM74-01.00</td>
</tr>
<tr>
<td>01</td>
<td>3-12-12</td>
<td>All</td>
<td>Added Material Requirements</td>
</tr>
<tr>
<td>02</td>
<td>2-26-13</td>
<td>All</td>
<td>Update email server&lt;br&gt;Update AEES SQ members</td>
</tr>
<tr>
<td>03</td>
<td>7-31-14</td>
<td>All</td>
<td>Introduction page&lt;br&gt;Section 6.2.2&lt;br&gt;Section 11.0&lt;br&gt;Section 13.1&lt;br&gt;Section 13.2&lt;br&gt;Page 31&lt;br&gt;Page 36&lt;br&gt;Appendix B&lt;br&gt;Appendix D&lt;br&gt;Appendix G&lt;br&gt;Appendix J&lt;br&gt;Added Section 13.4 C-TPAT</td>
</tr>
</tbody>
</table>
15.0 APPENDIX

Suppliers must contact their AEES SQ contact person or the AEES Buyer for a copy of these forms.

Appendix A: Supplier Quality and Development Contact List
Appendix B: Supplier Change Request Form (Sample)
Appendix C: Supplier Tool Move Form (Sample)
Appendix D: Supplier Profile Form (Sample)
Appendix E: Supplier Quality Discrepancy Report Form – QDR (Sample)
Appendix F: 8-D Form (Sample)
Appendix G: Standard Purchase Order (Example)
Appendix H: Release (Example)
Appendix J: Invoice Requirements
Appendix A: AEES Supplier Quality and Development Contact List

Supplier Quality Manager
Alejandro Quintero
Office: 01152 877 77 30440 ext. 7217
Mobile: (830) 313-2323
alejandro.quintero@pkcgroup.com
Carretera Presa La Amistad Km 4.5
Parque Ind. Amistad
Cd. Acuña Coah. Mexico
CP. 26200

PPAP Coordinator (Acuna Support Plant, México)
Leonor Hernandez
Tel: 01152-877 77 30440 Ext 7213
leonor.hernandez@pkcgroup.com
Carretera Presa La Amistad Km 4.5
Parque Ind. Amistad
Cd. Acuña Coah. Mexico
CP. 26200

Supplier Quality Engineer (Acuna Support Plant, Mexico)
Luis Sonora
Tel: 01152-877-77-7632 office
Mobile: 011521-877 101 0398
Luis.sonora@pkcgroup.com
Carretera Presa La Amistad Km 4.5
Parque Ind. Amistad
Cd. Acuña Coah. Mexico
CP. 26200
Supplier Quality Engineer (Torreon Technical Center, Mexico)
Joel Vaquera
Tel: 01152 871-729-6413
joeldavid.vaquerahotema@pkcgroup.com
CABLEADOS DEL NORTE II.
Carretera a Matamoros ent. con Mieleras
Par. Industrial Las Américas s/
Torreón Coah. México
CP. 27277

PPAP Coordinator (Torreón Technical Center, México)
Luis Favila
Tel: (871)733 5330 x 6448
luis.favila@pkcgroup.com
CABLEADOS DEL NORTE II.
Planta # 2 (Centro Técnico)
Carretera a Matamoros ent. con Mieleras
Parque. Industrial Las Américas s/n
Torreón Coah. México
CP. 27277

Supplier Quality Engineer (Juarez, Mexico)
Ruben Candelas
Tel: 52(656) 625-1466
ruben.candelas@pkcgroup.com
Parque Ind. A.J.Bermúdez
Cd, Juárez Chih. Mx.
CP.32470
Appendix B: Supplier Change Request Form (Sample)

Section 1: AEES Supplier Change Request (SCR)

<table>
<thead>
<tr>
<th>Supplier Name:</th>
<th>Date Submitted:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Address:</td>
<td>State:</td>
</tr>
<tr>
<td>City:</td>
<td>Supplier Corp. Vendor #:</td>
</tr>
<tr>
<td>Supplier Contact Name:</td>
<td>Supplier Contact Email Address:</td>
</tr>
<tr>
<td>Request Type:</td>
<td>Request Type:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier Attachments:</td>
<td>Drawing</td>
</tr>
<tr>
<td>Description of Change:</td>
<td></td>
</tr>
</tbody>
</table>

Identify Impact of the Proposed Change:

Product Impact: [ ] Form / Fit / Function [ ] Quality Improvement [ ] Packaging [ ] Other
[ ] NONE

Process Impact: [ ] Capacity [ ] Additional Tooling [ ] Other
[ ] NONE

Current Specification:

Proposed Specification:

Reason for Change:

Proposed Change Timing: [NOTE]: Change approval may take an extended period of time when AEES customer approval is required. Changes shall not be implemented prior to the receipt of written approval from AEES:

Qualification Plan with Target Date:

Is the Interchangeability of the Part Affected?

At the assembly level? [ ] Yes [ ] No Comment
At the component level? [ ] Yes [ ] No Comment

List all AEES personnel that you have been working with on this proposed change, please include their contact information.

Is this a Cost Improvement? [ ] Yes [ ] No

Please detail whether investment is needed from AEES and if the piece cost is affected. Will the shipping location of the product change?

Forward completed SCR via email to: FRMSupplierQuality@pkcgroup.com
### Section 2 - To be completed by AEES

<table>
<thead>
<tr>
<th>Supplier Quality:</th>
<th>Signature</th>
<th>Date</th>
<th>Approved</th>
<th>Rejected</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*If Approved indicate data required from Supplier

**SCR Tracking #:**

- None
- PPAP Required
- Drawing / Design Record
- Engineering Change Document, if any
- Customer Engineering Approval, if required
- Design FMEA
- Process Flow Diagrams
- Process FMEA
- Control Plan
- Measurement System Analysis Studies
- Dimensional Results
- Material Test Results
- Performance Test Results
- Initial Process Studies / Capability
- Qualified Laboratory Documentation
- Appearance Approval Report (AAR), if applicable
- Sample Product
- Master Sample
- Checking Aids
- Records of Compliance with Customer Specific Requirements
- Part Submission Warrant (PSW)
- Tool Move Checklist
- Material Certifications
- Safe Launch Plan
- Run At Rate / Capacity Verification
- Additional Requirements
- Other

*Note: All Data required must have a copy of the completed SCR Form.*

---

**Issue Date:** June 1, 2009  
**Revised Date:** July 28, 2014  
**Originator:** Alejandro Quintero  
**Supplier Quality Engineer**  
**Approved by:**  
Rhonda Moen, Sr. Mgr. Purchasing, North America  
Marco Muro, Components Operations & Quality
INSTRUCTIONS

This form is only to request change approval. Section 1 to be filled out by the supplier

Section 1 Request for Change

1. **Supplier name:** Enter supplier name
2. **Supplier Address:** Enter Supplier Address
3. **Supplier Corp. Vendor#:** Enter supplier vendor # assigned by AEES on the purchase order
4. **Supplier Mfg. Location:** Enter location where component is manufactured
5. **Supplier Contact Name:** Enter supplier single point of contact’s name for change coordination
6. **Supplier Email Address:** Enter supplier single point of contact’s email for change coordination
7. **Supplier Phone Number:** Enter supplier single point of contact’s phone number for change coordination
8. **Request Type:** Enter request type, if it is a drawing change, process change or a tooling move
9. **Part Number:** Enter AEES Part number affected and its revision. Check and if it is a new or carry-over part
10. **Part Description:** Enter a brief description of the part. List all the AEES tool asset #(s) and cavity(s)# affected by this change
11. **Supplier Attachment:** Check the type of attachments. E.g. marked up drawings or sketches, measurements and/or capability studies, qualification plan/data, or samples submitted for testing
12. **Description of Change:** Provide a brief general description of the requested change
13. **Identify Impact of the Proposed Change:** Identify the product and process impact that the change might cause. Check all applicable boxes on form. All Inventory bank quantities must be approved and coordinated by AEES. Supplier shall not calculate bank quantities solely based on AEES releases
14. **Current Specification:** Describe the current specification/process before the change. In the event this request is for a tool move, please enter the current location of the tool.
15. **Proposed Specification:** Describe what the new specification/process will be. In the event this request is for a tool move, please enter the new location of the tool.
16. **Reason for Change:** Identify the reason for the change. Why should this change be made? E.g. customer directed, cost saving, quality improvement
17. **Proposed Change Timing:** Clearly identify the proposed timing for the change. When will the change be completed?
18. **Qualification Plan with Target Date:** For process changes, enter the supplier’s proposed Qualification Plan and PPAP target date. The proposed Qualification Plan may be submitted as an attachment to the SRC
19. **Is the Interchangeability of the Part Affected?** Identify forward and backward compatibility of the part
20. **List all AEES Personnel that you have been working with on this proposed change. Please include their contact information:**
21. **Is This a Cost Improvement?** If the change affects the part cost (reduction), document the estimated cost benefit to AEES.
22. **Please detail whether investment is needed from AEES and if the piece cost is affected? Will the shipping location for the product change?**

**Note:** Once change request approval is granted, a copy of the authorized SCR (this form) shall be included in the PPAP submission. If you have any questions regarding the use of this form, please contact AEES Supplier Quality.

**SECTION 2 – to be completed by AEES**

The responsible AEES Supplier Quality will review this SCR to provide disposition. Suppliers will receive email notifications with approval status. All rejections must provide comments.
Appendix C: Supplier Tool Move Form (Sample)

**Tool Move Checklist** — To be completed by the supplier

<table>
<thead>
<tr>
<th>ITEM</th>
<th>STATUS (Y/N)</th>
<th>STATUS DATE</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Has a SCR been submitted to AEES and approval been received?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Has a tool move plan been developed and submitted to AEES that addresses the following?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Has project timeline been established?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Has customer plant location been identified?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Has current annual volume &amp; program been identified?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Has the quality of the tool been verified and any issues been addressed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Have Inventory Build Requirements been established? Is a bork build required? If so, for how long?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Have Manufacturing &amp; Operations Issues been addressed?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Tool Move Checklist — To be completed by the supplier

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the material specification provided to the new production locations and are the specifications for processing the raw material available?</td>
<td></td>
</tr>
<tr>
<td>Have current packaging requirements been sent?</td>
<td></td>
</tr>
<tr>
<td>Have all operator instructions been forwarded to the new production location?</td>
<td></td>
</tr>
<tr>
<td>Are there special shipping requirements?</td>
<td></td>
</tr>
<tr>
<td>Is the customer requesting plant trials? If yes, how many?</td>
<td></td>
</tr>
<tr>
<td>Has a copy of the current PPAP package been forwarded to the new production location for review of the critical documents?</td>
<td></td>
</tr>
<tr>
<td>Has raw material procurement been authorized?</td>
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</tr>
<tr>
<td>Does the receiving plant have EDI capability to receive schedules and transmit ASN (Advanced Shipped Notification)?</td>
<td></td>
</tr>
<tr>
<td>Has a new PPAP package from the new location been sent to AEES?</td>
<td></td>
</tr>
<tr>
<td>Have sample parts from old production location been forwarded to the new production location?</td>
<td></td>
</tr>
<tr>
<td>Have the material requirements been considered? e.g. handling, storage, environment, etc.</td>
<td></td>
</tr>
<tr>
<td>Are all quality records available in new location? (Internal/External Quality issues, 8Ds, lessons learned, etc.)</td>
<td></td>
</tr>
</tbody>
</table>
# Appendix D: Supplier Profile Form (Sample)

## AEES SUPPLIER PROFILE

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Approved by</th>
<th>Document Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/25/2009</td>
<td>Matt Anthony</td>
<td>NDSGF74-04.01</td>
</tr>
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</table>

Please provide AEES with information about your company. This information is only used internally by AEES.

Please check if your company is a: □ New Supplier □ Existing Supplier

### GENERAL COMPANY INFORMATION

Please Fill Out All the Highlighted Yellow Area and Email the Completed Form to: FRMSupplierQuality@pkgroup.com

<table>
<thead>
<tr>
<th>1. COMPANY NAME</th>
<th>2. DATE SUBMITTED</th>
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<tr>
<th>3. LOCATION</th>
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<th>4. LOCATION DUNS</th>
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<th>5. ADDRESS</th>
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<table>
<thead>
<tr>
<th>6. CITY</th>
<th>7. STATE/PROVINCE</th>
<th>8. ZIP/POSTAL CODE</th>
<th>9. COUNTRY</th>
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<tr>
<th>10. COMPLETED BY</th>
<th>11. TITLE</th>
<th>12. PHONE</th>
<th>13. E-MAIL ADDRESS</th>
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<thead>
<tr>
<th>14. OWNERSHIP</th>
<th>15. YEAR ESTABLISHED</th>
<th>16. UNION AFFILIATION</th>
<th>17. EXPIRATION OF CURRENT UNION CONTRACT</th>
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<tr>
<th>18. TOTAL NUMBER OF EMPLOYEES</th>
<th>19. NUMBER OF SALARY EMPLOYEES</th>
<th>20. NUMBER OF HOURLY EMPLOYEES</th>
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</thead>
<tbody>
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<table>
<thead>
<tr>
<th>21. SALES REVENUE / ANNUAL SALES</th>
<th>22. □ PUBLIC □ PRIVATE</th>
<th>23. IN BUSINESS SINCE</th>
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<tr>
<th>24. KEY CUSTOMER AND PRINCIPLE PRODUCTS</th>
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<tr>
<th>25. C-TPAT CERTIFICATION REQUIRED</th>
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<tr>
<td>□ YES</td>
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<tr>
<td>□ NO</td>
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Appendix E: Supplier Quality Discrepancy Report Form - QDR (Sample)

### QDR Form

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>ORIGINATOR:</th>
</tr>
</thead>
</table>

#### QUALITY DISCREPANCY REPORT (QDR) / CORRECTIVE ACTION REQUEST

To be completed by the QDR Originator if the name is not in the dropdown box:

- **LOCATION:**
- **ORIGINATOR:**
- **E-MAIL:**
- **PHONE:**

#### QUALITY DISCREPANCY REPORT (QDR) / CORRECTIVE ACTION REQUEST

**Section I:** To be completed by the AEES:

<table>
<thead>
<tr>
<th>Supplier Name:</th>
<th>Qty Suspect:</th>
<th>Date Issued:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part Name:</td>
<td>Oracle #:</td>
<td>Qty. Rejected:</td>
</tr>
<tr>
<td>PN:</td>
<td>Vendor #:</td>
<td>Qty Accepted:</td>
</tr>
</tbody>
</table>

**Repeated Issue?:**

**Customer Affected?:**

**Supplier Contact Information:**

- **Contact:**
- **Phone #:**
- **Email:**
- **Mobile #:**

#### Problem Description

When samples are requested for supplier analysis, a UPS / FedEx Aco. is required by AEES.

- **RESPONSE STATUS:**
  - Initial Response: [Due Date: (24 hours)]
  - Final Response: [Due Date: (14 Calendar days)]

- **Sketch Attached:** Yes  No

Supplier be aware that if no actions are taken to solve the problem above described AEES will pursue a Cost Recovery for all the incurred costs.

- [Open Cost Recovery Claim]
- **Date Initiated:**

**Section II:** To be completed by the supplier:

**Immediate Corrective Action:** (Containment): Due within 24 hours of acknowledgement.

- **Date AEES will receive certified shipment:**
- **Authorization for AEES to return defective/suspect material (RFMA #:)

**Final / Irreversible Corrective Action:** Due within 14 calendar days, response time extension requests should be submitted to AEES SC.

**Supporting Documents submitted to Validate Irreversible Corrective Actions (Please attach documents to the QDR)**

- [ ] Capability Study
- [ ] Control Plan / FMEA
- [ ] Other (FPAP, Error proofing, etc.)

**SUPPLIER REP: SIGNATURE & TITLE**

**Issue Date:** June 1, 2009  **Revised Date:** July 28, 2014  **Page 45 of 49**

**Originator:** Alejandro Quintero  **Supplier Quality Engineer**

**Approved by:** Rhonda Moen, Sr. Mgr. Purchasing, North America  Marco Muro, Components Operations & Quality
## Appendix F: 8-D Form (Sample)

### 8 DISCIPLINE REPORT

<table>
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<th>Report Status:</th>
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<th>1. Year / Car Line:</th>
<th>Component:</th>
<th>ISSUE #:</th>
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</thead>
<tbody>
<tr>
<td>Initiator:</td>
<td>Assignee:</td>
<td>Team Location:</td>
</tr>
<tr>
<td>Location:</td>
<td>Date Opened:</td>
<td>Team Leader:</td>
</tr>
<tr>
<td>Build Phase:</td>
<td>Last Revision:</td>
<td>QR:</td>
</tr>
<tr>
<td></td>
<td>Date Closed:</td>
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</table>

### 2. Problem Description:

### 3. Interim/Containment Actions:

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<th>Date</th>
<th>Effective Date</th>
<th>6a. Verification Interim Actions</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Shows indicators before and after</td>
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</table>

### 4. Root Cause(s):

- Specific:
- Systemic:
- Escape:

### 5. Permanent Actions:

<table>
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<th>Date</th>
<th>Effective Date</th>
<th>6b. Verification Permanent Actions</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Shows indicators before and after</td>
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</tbody>
</table>

### 7. Prevention:
Appendix G: AEES Standard Purchase Order (Example)

BLANKET PURCHASE ORDER AC4000202  
5/10/14

Supplier: ABCDE Company Inc  
6262 Star Blvd  
Purchase, YX 11032  
Phone: 123-456-7890  
Fax: 123-654-0987

PO No: AC4000202  
PO Date: 5/10/14  
Purchase Order Revision:  
Revision Date:  
Blanket Order: 6/1/14 -
Via: Ground  
Pymt Terms: Net 60  
Delivery Terms: FCA Origin

<table>
<thead>
<tr>
<th>Item:Rel</th>
<th>Part</th>
<th>Supplier Part No</th>
<th>Description</th>
<th>Unit Price (USD)</th>
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<tbody>
<tr>
<td>1;</td>
<td>0123987</td>
<td>X56-0725</td>
<td>PLATE LOWER DP BOX / X56-0725</td>
<td>$0.01/pcs</td>
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<td>2;</td>
<td>0239876</td>
<td>X57-0722</td>
<td>PLATE LOWER DP BOX / X57-0722</td>
<td>$0.01/pcs</td>
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<tr>
<td>3;</td>
<td>0398765</td>
<td>X59-0724</td>
<td>PLATE LOWER DP BOX / X59-0724</td>
<td>$0.01/pcs</td>
</tr>
<tr>
<td>4;</td>
<td>0487654</td>
<td>X60-0726</td>
<td>PLATE LOWER DP BOX / X60-0726</td>
<td>$0.01/pcs</td>
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</table>

Notes

Without limiting other Import/Export Compliance requirements found in AEES’ Terms and Conditions for Purchase of Products, AEES requires suppliers to provide NAFTA Country of Origin documentation and Manufacturing Affidavits on all components annually. AEES suppliers must submit these documents in an electronic format, to the Import / Export department, via e-mail to aeesnafta@pkcgroup.com upon receipt of the authorized AEES purchase order.

For further assistance with completing the country of origin documentation, please submit your inquiries to aeesnafta@pkcgroup.com

PPAP Level 3 is required for New Components. See attached link to AEES


This document is an offer to purchase by AEES, and incorporates by this reference AEES’ Terms and Conditions. AEES’ offer to purchase is conditioned on the seller’s acceptance of AEES’ Terms and Conditions without modification or addition. An electronic copy of AEES’ Terms and Conditions can be viewed at

### Appendix H: AEES Release (Example)

<table>
<thead>
<tr>
<th>Code W/ Revision</th>
<th>Supplier Part No.</th>
<th>Description</th>
<th>Unit Price</th>
<th>Due Date</th>
<th>Unit Received Date</th>
<th>Unit Received Quantity</th>
<th>Total Received</th>
<th>Release Note</th>
<th>Release Status</th>
<th>Quantity</th>
<th>In-Transit</th>
<th>Balance</th>
<th>Ship Code</th>
<th>Release Acknowledged</th>
<th>Due Date Acknowledged</th>
<th>Due Date Acknowledged</th>
<th>Supplier Proposed Due Date</th>
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Issue Date: June 1, 2009  
Revised Date: July 28, 2014  
Originator: Alejandro Quintero  
Supplier Quality Engineer  
Approved by:  
Rhonda Moen, Sr. Mgr. Purchasing, North America  
Marco Muro, Components Operations & Quality
Appendix J: Invoice Requirements

To improve the efficiency of our invoice processing, please attend to the below definitions and requirements, please note that when information on the hardcopy invoice is missing, illegible or inaccurate the payment process can be significantly lengthened.

<table>
<thead>
<tr>
<th>FIELD</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Number</td>
<td>Invoice number must be unique for each invoice.</td>
</tr>
<tr>
<td>Invoice Date</td>
<td>Specifies the date invoice was created.</td>
</tr>
<tr>
<td>Bill to</td>
<td>This information is provided on the Purchase Order, it reflects in most cases current AEES Accounts Payables address. Third party billings may specify a different bill to address.</td>
</tr>
<tr>
<td>Ship to</td>
<td>This information code is provided on the Purchase Order and/or Shipping Schedule Report.</td>
</tr>
<tr>
<td>PO Number</td>
<td>This can be AEES Standard Purchase Order Number or Blanket Purchase Order. All our vendor invoices, without exception, MUST reference a Purchase Order issued by AEES Procurement Department. Our Suppliers MUST request a Purchase Order at the time they accept to provide a service or supply a product.</td>
</tr>
<tr>
<td>Release Number</td>
<td>This information is provided on the Shipping schedule report, and must be included after the Purchase Order Number.</td>
</tr>
<tr>
<td>Packing Slip Number</td>
<td>Delivery / Bill of Lading / Packing Slip Number that was enclosed in the shipment or merchandise must be included in the invoice header as reference, this number will allow appropriate match to each invoice.</td>
</tr>
<tr>
<td>POD</td>
<td>Proof of Delivery / tracking number should be provided on the invoice or as an attachment.</td>
</tr>
<tr>
<td>Item Number</td>
<td>This information is provided on the PO and/or on Shipping Schedule report.</td>
</tr>
<tr>
<td>Quantity</td>
<td>Material quantity shipped must be expressed on the Invoice and not be greater than what requested in to the PO/Shipping Schedule.</td>
</tr>
<tr>
<td>Unit Price &amp; UOM</td>
<td>Unit price and UOM (Unit of Measure) per item(s) billed must match to AEES PO/Shipping Schedule.</td>
</tr>
<tr>
<td>Amount</td>
<td>This field reflects extended amount (quantity multiplied by the price) for a particular line item</td>
</tr>
<tr>
<td>Subtotal</td>
<td>If the value of the material received (based on PO) does not match the amount in this field, payment processing will be delayed until the corrected invoice is submitted.</td>
</tr>
<tr>
<td>Total Due</td>
<td>This field contains the gross amount to be paid by AEES.</td>
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